

ASIA AFRICA GROWTH CORRIDOR

Partnership for Sustainable and Innovative Development

A Vision Document

African Development Bank Meeting
Ahmedabad, India
22-26 May 2017



RIS

Research and Information System
for Developing Countries

विकासशील देशों की अनुसंधान एवं सूचना प्रणाली



Economic Research Institute
for ASEAN and East Asia

IDE-JETRO

Institute of Developing Economies
Japan External Trade Organization

ASIA AFRICA GROWTH CORRIDOR

Partnership for Sustainable and Innovative Development

A Vision Document



RIS
Research and Information System
for Developing Countries
विकासशील देशों की अनुसंधान एवं सूचना प्रणाली



ERIA
Economic Research Institute
for ASEAN and East Asia

IDE-JETRO Institute of Developing Economies
Japan External Trade Organization

Acknowledgements

This vision document has been prepared by the Research Team led by Ambassador Hardeep S Puri, Chairperson, RIS, New Delhi and Professor Hidetoshi Nishimura, President, ERIA, Jakarta; and comprising Professor Sachin Chaturvedi, Director General, RIS, Ms. Anita Prakash, Director General, Policy Department, ERIA and Mr. Chandan, Research Associate, RIS.

We are grateful to Shri Amar Sinha, Secretary (ER), Ministry of External Affairs, Government of India; Ms. Neena Malhotra, Joint Secretary (E&SA), Ministry of External Affairs, Government of India; and Mr. Hirofumi Katase, Vice-Minister for International Affairs, Ministry of Economy, Trade and Industry (METI), Japan for their guidance and support during the preparation of this document.

Thanks are also due for comments and suggestions received from Mr. Yasuhiko Yoshida, Deputy Director-General for Trade Policy, METI; Mr. Kazumi Nishikawa, Director, Trade Strategy, Trade Policy Bureau, METI; Dr. So Umezaki, Director Senior Research Fellow, Economic Integration Studies Group, Inter-disciplinary Studies Center, IDE-JETRO; Dr. Ikumo Isono, Deputy Director, Economic Geography Studies Group, Inter-disciplinary Studies Center, IDE-JETRO; Dr. S. K. Mohanty, Professor, RIS; Prof. T. C. James, Visiting Fellow, RIS; and Mr. Mahesh C. Arora, Director (F&A), RIS.

We also received valuable inputs from Track 2. The list of contributors is enclosed as Annexure III.

Publication of the vision document has been undertaken by RIS Publication Unit consisting of Mr. Tish Malhotra and Mr. Sachin Singhal.

Contents

| | |
|---|----|
| Executive Summary | 1 |
| I. Introduction..... | 3 |
| II. Asia Africa Growth Corridor..... | 6 |
| III. Proposed Elements of AAGC..... | 8 |
| III.1 Development and Cooperation Projects | 9 |
| III.2 Quality Infrastructure and Institutional Connectivity | 10 |
| III. 3 Enhancing Capacities and Skills | 11 |
| III. 4 People-to-People Partnership..... | 11 |
| IV. Geographical Simulation Model (GSM) | 13 |
| V. Way Forward | 14 |
| V.1 AAGC Vision Study..... | 14 |
| V.2 Organisation of the AAGC Vision Study..... | 15 |
| V.3 Expected Outcome and Policy Implications..... | 16 |

List of Figures

| | |
|---|----|
| Figure 1: Elements of Asia Africa Growth Corridor | 7 |
| Figure 2: Asia Africa Partnership: Linkage with Southeast Asia and East Asia and Prospective GDP Growth..... | 12 |

List of Annexures

| | |
|--|----|
| Annexure I: India-Japan Joint Statement during the visit of Prime Minister to Japan..... | 17 |
| Annexure II: Suggested Areas of Cooperation..... | 26 |
| Annexure II: List of Participants..... | 28 |

Executive Summary

The idea of Asia Africa Growth Corridor (AAGC) emerged in the joint declaration issued by Prime Minister Narendra Modi and Prime Minister Shinzo Abe in November 2016. The AAGC will envisage people centric sustainable growth strategy, details of which would be evolved through a process of detailed consultations across Asia and Africa, engaging various stakeholders.

The AAGC will be raised on four pillars of Development and Cooperation Projects, Quality Infrastructure and Institutional Connectivity, Enhancing Capacities and Skills and People-to-People partnership. The centrality of people to people partnership would be the unique feature of this initiative. The strengths of AAGC will be aligned with the development priorities of different countries and sub-regions of Africa, taking advantage of simultaneous homogeneity and heterogeneity among them. This would be undertaken to improve growth and interconnectedness between and within Asia and Africa for realizing a free and open Indo-Pacific region.

The AAGC will give priority to development projects in health and pharmaceuticals, agriculture and agro-processing, disaster management and skill enhancement. The connectivity aspects of the AAGC will be supplemented with quality infrastructure. The AAGC led growth in Africa and Asia will be responsive to the collective commitment for the Sustainable Development Goals (SDGs). The AAGC Vision Study will use Geographical Simulation Model (GSM) to bring out the economic gains for Africa through its integration with India, South Asia, Southeast Asia, East Asia and Oceania. The AAGC will contribute to develop institutional mechanisms and models for connecting businesses, people and think tanks that represent, and contribute to, the integration efforts in Asia and Africa.

The Research and Information System for Developing Countries (RIS), New Delhi, the Economic Research Institute for ASEAN and East Asia (ERIA), Jakarta, and Institute of Developing Economies (IDE-JETRO), Tokyo, have developed the Vision Document based on consultations with Asian and African think-tanks.

Asia Africa Growth Corridor

Partnership for Sustainable and Innovative Development: A Vision document

I. Introduction

Historically, Asia and Africa share a wide degree of similarities. They share their past struggles, ongoing efforts for faster economic growth and development, and a strong desire for assuring a brighter future for their peoples. It is abundantly clear from their growing closer partnership at numerous multilateral bodies to find solutions to their common challenges. Since time immemorial, the Indian Ocean linking the two continents has always been a major source of closer trade, cultural linkages and people to people partnerships between Asia and Africa.

The Asian economy has showed strong resilience and provided robust drive for the global economy in the past, and continues to provide the tailwinds to global economy. Africa, on the other hand is on the growth path, and poised for a leap. Endowed with a young demography, its economy and social growth indicators are ascending every year. The next decade will be an opportunity for both regions to realise their economic and social potentials, as also to deepen their capacities, and institutional strengths. As developing regions, both continents are expected to place commitment to promoting strong, balanced, sustainable and inclusive growth, both at the national and the international levels, and to actively cooperate to narrow the development gaps and to address common economic and social challenges that are more important than ever.

However, there is still vast and untapped potential among, and in between Asia and Africa, which need to be explored for shared growth, development, peace, prosperity and stability of these regions. The opportunities and aspirations in the two regions can be connected through an Asia Africa Growth Corridor (AAGC). The AAGC would consist of four main components: development and cooperation projects, quality infrastructure and institutional connectivity, capacity and skill enhancement and people-to-people partnerships. These four components are complementary to promote growth and all round development in both the continents. The AAGC will be instrumental in creating new production channels, expanding

The AAGC will effectively provide quality infrastructure physical as well as institutional. Quality infrastructure connects people, towns, regions and countries, and helps unleash their potential for growth. It would remain in harmony with the local environment, community, and people's livelihoods.

and deepening the existing value chains, ensure economic and technical cooperation for enhancing capacities, facilitate a greater flow of peoples between the two continents, and achieve sustainable growth over the longer term. The AAGC will be developed through quality infrastructure and complemented by digital and regulatory connectivity. Digital connectivity will also support the growth of innovative technology and services between Asia and Africa.

Focus on People and Quality Infrastructure

There is scope for Asia to share its experiences of growth and development with Africa. Many regions in Asia have augmented their economic and social potentials through enhanced partnership within and between regions. As Africa works on its growth trajectory, the AAGC will provide quality infrastructure – physical as well as institutional effectively. Quality infrastructure connects people, towns, regions and countries, and helps unleash their potential for growth. It consists of five remarkable aspects. These aspects are: (a) effective mobilisation of financial resources; (b) their alignment with socio-economic development and development strategies of partner countries and regions; (c) application of high-quality standards in terms of compliance with international standards established to mitigate environmental and social impact; (d) provision of quality of infrastructure taking into account aspects of economic efficiency and durability, inclusiveness, safety and disaster-resilience, sustainability as well as convenience and amenities; and (e) contribution to the local society and economy. Therefore, quality infrastructure would remain in harmony with the local environment, community, and people's livelihoods.

This will enable better growth and development within, and between the two continents, with added spillovers into global peripheries of growth. Eventually, the AAGC aims to be an efficient and sustainable mechanism for linking economies, industries and institutions, idea and people among, and between Africa and Asia. Owing to their unique development experiences, and their contribution to development among countries and sub regions of Africa and Asia, India and Japan can play significant roles in developing the AAGC for sustainable growth among, and in between Africa and Asia.

The AAGC led growth in Africa and Asia will be responsive to the Sustainable Development Goals (SDGs) also. This integrates well with the idea of India's current development philosophy based on *Sabka Saath Sabka Vikas* - Collective Action Inclusive Growth. India has been pursuing and fostering

Innovative development programmes and experiences of Africa, Japan and India may be pooled together for promoting cooperation within the AAGC.

regional and global partnerships in the implementation of the SDGs. The AAGC will have a strong influence of India's constructive role in shaping the global agenda for sustainable economic development and international cooperation based on the principles of solidarity, equity and sharing. For example, at the UN Climate Change Conference in Paris (COP-21) in 2015, India, along with France, initiated the launch of an International Solar Alliance, bringing together the sun rich countries for generation and use of clean energy at the global level. The AAGC could be a conduit of this cooperation among countries and regions of Africa and Asia.

Similarly, India's other development programmes in affordable clean energy (Pradhan Mantri Ujjwala Yojana (PMUY)), centralized identification programme (Aadhaar), to facilitate easier identification of potential beneficiaries of development programmes, as well as Jan-Dhan Yojna, the national financial inclusion scheme which ensures direct financial transfers into the beneficiary bank account, are examples for the developing world. In addition, India's Sagarmala Project, which promotes port connectivity for easier access to new developing regions, can play a vital part for the development of deep sea mining etc. and further deepen India's cooperation with the Indian Ocean Rim (IOR) region too. Some other efforts to accelerate economic development through innovative initiatives are "Digital India", "Skill India", "Smart City", "Swachh Bharat" and "Start-Up India". These development experiences of India can serve as excellent examples for cooperation with Africa, under the AAGC.

Complementary Role of India and Japan

India has a long history of development cooperation in Africa in capacity building and contributing towards development of social sector through several unique programmes like Pan Africa e-Network. Indian companies have sustainable presence in the African region. The EXIM Bank is the lead organisation for carrying out the development credit tasks. India has unique distinction in providing affordable, appropriate and adaptable technology. It is also working in project execution and in building technical capacities in many developing countries in the region.

India also organises India-Africa Forum Summit (IAFS) to develop a structured engagement between India and Africa. IAFS is a vital platform to engage with Africa at regional, sub-regional and bilateral levels, and understand their concerns in a better manner. It has contributed to improve the quality of partnership between India and Africa. Being a developing

country itself, India's development partnerships in Africa are, however, confronting the challenges of resource constraints.

Japan, in this context, can play a major complementary role to overcome these challenges. It has strong development assistance programmes in many developing countries, including Africa. Japan has expertise in designing, planning and delivering hardware infrastructure. It enjoys a leading edge in research and development areas. It also has the capacity to transfer capabilities for managing and strengthening supply chains in manufacturing sector and infrastructure projects.

Japan holds Tokyo International Conference on African Development (TICAD), which provides an open forum to generate innovative discussion among stakeholders participating in the African development programmes. Since its inception in 1993, TICAD has contributed in improving social and economic conditions in Africa mainly through aid grants and technical assistance.

Africa has tremendous scope for growth and requires development partners to achieve it. While its participation in regional and global value chains is important for its growth, the development priorities among countries, regions and sub-regions vary substantially. The development cooperation and infrastructure and connectivity development programme under AAGC would have to be aligned with these needs at national, regional and sub regional level.

India and Japan bring a shared repertoire of development cooperation strengths for Africa. The strengths of India and Japan development programmes need to be fine tuned with development needs of Africa, and also its development priorities. The Special Strategic and Global Partnership between India and Japan adds further value to this vision.

II. Asia Africa Growth Corridor

In view of the above-mentioned background, the AAGC will deliberate on the following aspects:

- The existing mechanisms for cooperation between Asia and Africa.
- The broad based agenda for synchronised growth of Asia-Africa for sustainable and innovative development.
- Establishment of optimum linkages and cooperation among the sub-regions of Asia and Africa.
- Establishment of industrial corridor and industrial network.

AAGC may be based on four pillars:

1. Enhancing Capacity and Skills.

2. Quality Infrastructure and Institutional Connectivity.

3. Development and Cooperation Projects.

4. People-to-People Partnership.

Figure 1: Elements of Asia Africa Growth Corridor



Source: Conceptual model developed from Track 1.5 discussions on AAGC.

Development and cooperation projects would primarily cooperate in areas like agriculture and agro processing, health and pharmaceuticals, and disaster management. Projects in these sectors would be significant for building productive human capital.

- Improved partnership for infrastructure development between the two continents, and their sub-regions to address the current demands of trade, investment, and services in a sustainable manner.
- Complementary ways through which infrastructure and connectivity complement the development of industrial corridor and industrial network.
- Coordination between institutional and infrastructure partnerships.
- The role of people-to-people partnership to strengthen the Growth Corridor.
- Ways to ensure better and freer institutional and people-to-people partnerships between Asia and Africa.
- Identification of priority projects, which can be optimized and which are economically and financially feasible.
- Mechanisms that can result in exchange of best practices of growth, governance and partnership between Asia and Africa, including their sub-regions.
- Technical, economic, and institutional barriers.
- Specific recommendations for AAGC, and for the larger global periphery around Asia and Africa for sustainable and innovative development.

A conceptual design of the AAGC is at Figure 1.

III. Proposed Elements of AAGC

The AAGC foresees Africa's integration with India, South Asia, Southeast Asia, East Asia and Oceania. The AAGC contemplates four major pillars to bring peoples, goods, services, capital and institutions closer together, realizing the objective of Asia Africa partnership for sustainable and innovative development. The four pillars of AAGC are:

- Development and Cooperation Projects
- Quality Infrastructure and Institutional Connectivity
- Enhancing Capacities and Skills
- People-to-people Partnership

These will facilitate and enhance economic growth by linking economies in Asia and Africa through development of institutional and human capacity, connecting institutions and people, capacities for planning and execution of projects, trade facilitation, human resource development and technology improvement, and infrastructure (port, airport, industrial park, telecommunication, IT, etc.) of the two continents. The emphasis of the AAGC is on capacity building and expanding the

manufacturing base and trade between Africa and Asia. The idea is to transform the region into a Growth Corridor which would embed the development processes and value chains in Africa and Asia. It will enable these economies to further integrate and collectively emerge as a globally competitive economic bloc. In order to align with Agenda 2030, green projects would get priority funding and implementation.

Asian businesses are participating extensively in the global production network and supply chains and are spread between East Asia, Southeast Asia upto South Asia. The AAGC will provide a rich opportunity for these production networks to expand and spread into Africa.

III.1 Development and Cooperation Projects

Development and cooperation projects in identified sectors are significant for building productive human capital to reduce costs in the production blocks or economic centers. Skill development, knowledge centers, research and development, specialty medical treatment, are important components of AAGC. This includes sectors like agriculture, health, technology, natural disasters, etc.

Agriculture and Agro Processing

As agriculture is core sector of African economy, this sector will be explored in order to strengthen it further. Some important areas in agriculture are: Establishment of supply chain of crop seeds and agricultural machinery / implements; joint establishment of regional manufacturing and service hubs for these machinery and implements to boost the intensity of farm mechanization; marketing networks for relevant agricultural machinery; value addition through identified value chains by arranging finance and credit system; measures to reduce post-harvest losses of farm commodities such as pulses, cereals, oilseeds, eggs, meat, milk and dairy products modeled on the concept of 'medium and small food processing under special economic zone'; study on improved rain-fed agriculture; and transfer of knowledge and technology diffusion for introduction and management of modern agricultural systems in Africa.

Health and Pharmaceuticals

Health is an important sector to ensure efficient workforce. The two important pillars in this sector are advancing health research collaboration and medical education, as well as industrial cooperation in pharma and healthcare sector. Based on convergence of vision, some prospective areas in healthcare are: health systems research/strengthening through creation of a surveillance network, including for precise real-time epidemic

tracking; pandemic preparedness for emerging and re-emerging infections; drug resistance surveillance for diseases like TB, HIV; development of point of care diagnostics; anti-microbial resistance (AMR) surveillance and stewardship programmes; cancer burden and treatment; and innovative vector control strategies. In addition, the focus will be on the development of cheaper generic drugs for fight against common diseases in African countries, pharmaceutical manufacturing capabilities, low cost delivery of health services, and using digital technology to deliver various services to reduce the health burden.

Disaster Management

India's experience with management of various natural calamities such as floods, tropical storms, drought conditions etc. can be shared along with technical know-how and technologies for African countries. The wealth of mitigative technologies for such eventualities can be jointly pursued in the target African countries. Pan India-Africa Institution on Disaster Management can also be constructed to address these problems.

Devising measures for connecting institutions is an important part, and an outcome of AAGC. Appropriate, affordable and adaptable technology can play significant role in all these endeavors.

III.2 Quality Infrastructure and Institutional Connectivity

The AAGC will set out measures for comprehensive regional planning to transform the Asia Africa region into an integrated economic and socio-cultural hub. The AAGC will focus on building robust institutional, industrial and transport infrastructure in growth poles among countries/regions through quality infrastructure. Institutional connectivity will improve trade facilitation and investments. The transport linkages provided by AAGC will promote inter-industry linkages, opportunity to countries to move to new product lines and a shift in production lines. Support infrastructure will focus on establishment of such infrastructure which complements industrial and transport infrastructure, like power production and telecommunications. The power projects include smart grids along the corridor to accommodate renewable energy supply fluctuations. In infrastructure sector, environmental concerns are very important for sustainable development. In this context, partnership in International Solar Alliance (ISA) can also be explored. Telecom infrastructure is also a crucial aspect of digital connectivity. The establishment of Institutional infrastructure would also play crucial role for support infrastructure. Japan's strength in providing quality infrastructure for connectivity would contribute to AAGC significantly.

III. 3 Enhancing Capacities and Skills

The India-Japan partnership under the AAGC can intervene to address the daunting challenge of unemployment and skills, especially to design and implement project. These will enhance economic growth by linking economies in Asia and Africa through development of institutions and infrastructure (like ports, airports, human resource development, IT), capacity for planning and execution of projects. The AAGC is focused on expanding the manufacturing base and expand trade of Africa and Asia. The objective will be to create manufacturing centres backed by appropriate human resource development with a view to increasing value addition within the relevant African countries, partly for domestic consumption and partly for export.

Education and skill development are very important areas for capacity building. For instance, India has advantage in healthcare sector, medical training and other capacities which can be shared in Africa, in partnership with Japan. It is also relevant for cooperation to improve the current facilities and infrastructure and human resource conditions of universities in those African countries where the impact can be quickly attained. In addition, taking into account the specific requirements of Africa, there is a need to partner in more specific areas such as mining and mineral exploration for enhancing capacity and skills, as well as in order to enable them to realise their own potential. Human resource development in these fields will be critical, and India-Japan collaboration can play a crucial role in Africa. India can also share its huge experience in mining and minerals sector.

It will also be essential to synchronise capacity building and skill development to industrial demand at ground level. Along with this, entrepreneurship should also be encouraged. Entrepreneurship Development Institutes in African countries would prepare the road for future development. These efforts also require application of efficient management techniques at all levels, including capacity building and policy making. India and Japan can contribute in these fields also.

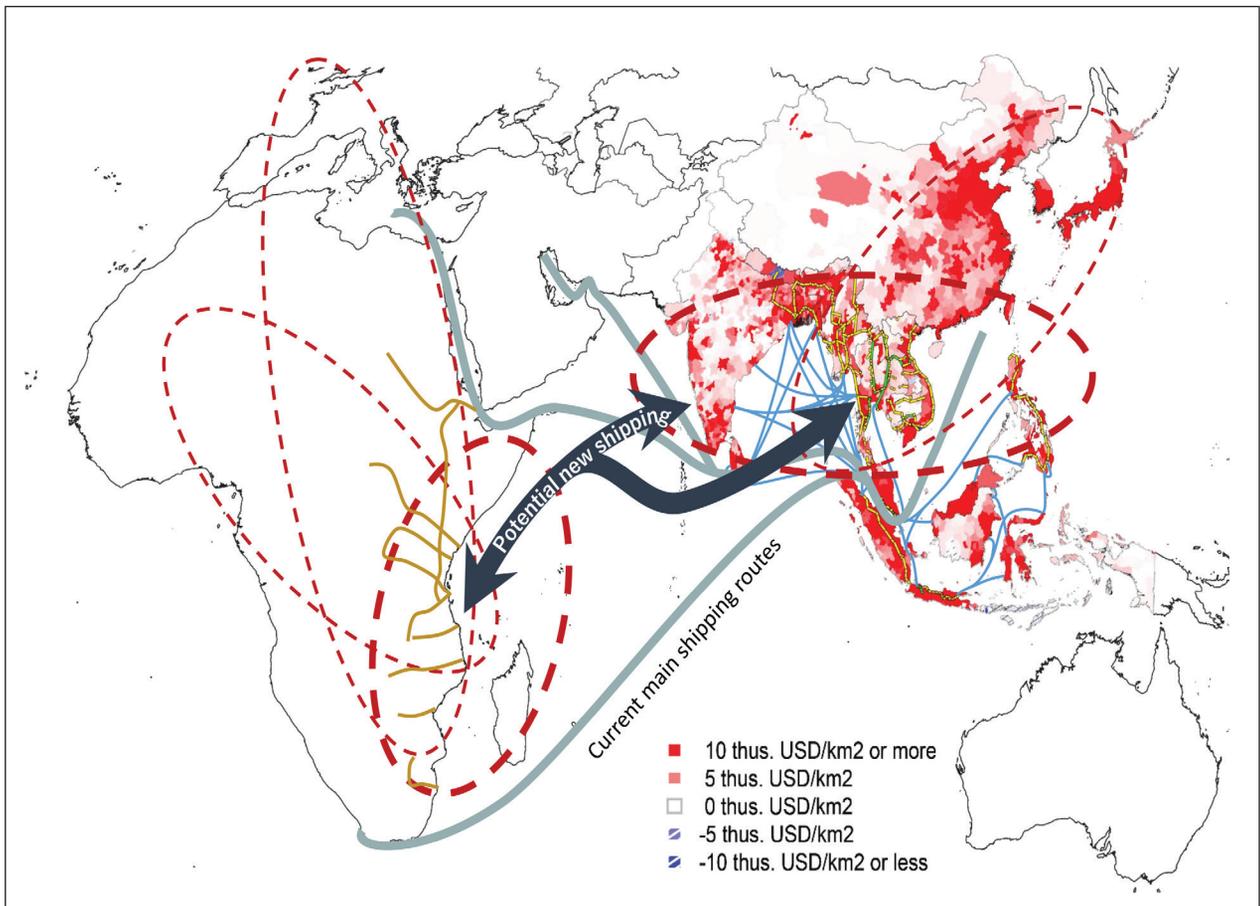
III. 4 People-to-People Partnership

As there is a need for systematic up-gradation of local human resource, people-to-people connectivity is very important for sharing of experiences at the grassroots level as well as for improving human potential through capacity building and training. Public understanding enhances the durability of any project or institution, but most people engage only when their personal interests are addressed. The gains from economic interdependence are more secure when they are widely

A greater engagement between people of Asia and Africa will spread understanding of a common interest in AAGC and will promote willingness to take a national/regional perspective on the allocation of costs and benefits from AAGC.

understood. Understanding is facilitated by knowledge, and that in turn is facilitated by exchanges among the people of participating countries. A greater engagement between peoples of the two region will spread understanding of a common interest in AAGC and will promote willingness to take a national/regional perspective on the allocation of costs and benefits from AAGC. Tourism and education are the major mechanisms of people-to-people connectivity. But there is also the whole field of education, skill development and cultural exchange which can be shared by India with Africa, in partnership with Japan. It is also relevant for cooperation to improve the current facilities and infrastructure and human resource conditions of universities in selected African countries where the impact can be quickly attained.

Figure 2: Asia Africa Partnership: Linkage with Southeast Asia and East Asia and Prospective GDP Growth



Source: IDE-JETRO.

IV. Geographical Simulation Model (GSM)

The Vision on AAGC will use the unique IDE/ERIA Geographical Simulation Model (GSM) to draw out the economic gains for the regions. The GSM estimate the economic impacts of various Trade and Transport Facilitation Measures (TTFMs) such as:

The GSM will support to establish correlation between various sectors and various partnership priorities, and develop an image of economic gains to the various sub regions of Africa and Asia.

- Building/upgrading physical transport infrastructure
- Customs Facilitation Measures at national border
- Unilateral Reduction of Tariffs and Non-Tariff Barriers (NTBs)- Improvement in Business Environment
- Bilateral/Multilateral Reduction of Tariffs and NTBs (FTAs/RTAs/EPAs)
- The model estimates the economic impacts of changing technology parameter for specific regions.
- Regional Development like SEZ and other reforms
- Natural Disaster as a sudden reduction in the technology parameter

The GSM model will estimate economic impacts for concerned regions (Asia and Africa) through an 'All-All improvements' in trade and transport facilitation scenario. The scenario includes strategic combination of infrastructure development, regulatory reform, RCEP, and SEZ development to achieve higher economic growth and narrower development gaps.

The GSM, in turn, will contribute to evolve the Vision Document for AAGC. It will support to establish correlation between various sectors and various partnership priorities, and develop an image of economic gains to the various sub regions of Africa and Asia. Using the previous modeling experience from Comprehensive Asia Development Plan (CADP), CADP II: ASEAN -India Connectivity, and CADP 2.0, the GSM will bring out the advantages for the two mega regions to connect through trade, economic and technical cooperation and sectoral joint programmes, and how these will impact the growth in the regions positively.

Research Methodology for GSM

- Construct socio-economic and logistics data of Africa for the simulation model
- Conduct survey trips for interview with local and central governments, manufacturing firms, logistics forwarders and related organizations

- Conduct simulation analyses
- Revise the data and simulation scenarios based on the responses from experts, policy makers and other stakeholders, and
- Identify possible impacts of connectivity enhancement between Asia and Africa.

V. Way Forward

The complementary nature of Asia and Africa for comprehensive growth and sustainable development needs to be studied and explored further for deeper understanding. People would have to be at the center of AAGC to transform these regions into a growth corridor which ensures win-win for all. This will also be relevant and insightful in order to evolve these regions into a model for trans-regional partnership. India-Japan Joint Statement during the Annual Prime Ministerial Summit meeting in Tokyo on 11 November 2016 contemplates this idea. The joint statement calls upon both countries to draw on the strength of shared values, convergent interests and complementary skills and resources, to promote economic and social development, capacity building, connectivity and infrastructure development in the Indo-Pacific region, covering Asia-Africa and beyond (see Annexure 1). The Vision Document on AAGC envisages this idea to be taken forward through a joint study, which will be based on a profound consultative process among all stakeholders.

V.1 AAGC Vision Study

It is evident from the joint statement that the two Prime Ministers underscored the importance of expanding and deepening the partnership between Asia and Africa, working jointly with international community. The AAGC is to be undertaken to improve growth and interconnectedness between and within Asia and Africa, through realizing a free and open Indo-Pacific region for the comprehensive development of the region. The current efforts need to be expanded to become more efficient and sustainable. These efforts are not feeding back enough into the stakeholders, to become a critical mass of partnership between the two regions. Increased ties between Asia and Africa will contribute to economic growth and sustainable development. They will promote freer and seamless movement of people and goods, industry and trade, investment, energy, information, knowledge and ideas, and greater institutional linkages. This, in turn, requires various other dimensions to be taken into account.

The elements of linkages and partnership between Asia and Africa can be identified in the AAGC. A working partnership

The AAGC would also seek active cooperation from, and joint work among international community to participate in the AAGC Programme where increased and improved ties will bring about economic prosperity as well as encourage sustainable and innovative development.

mechanism to safeguard these linkages and bring about qualitative change in cooperation is expected to be put in place. Specific strengths of countries like India and Japan can be identified for sharing with Africa. Region specific strengths and demands can also be explored in order to synergise them. Mechanics to improve institutional, infrastructural and people-to-people partnership between Asia and Africa should also be framed. This also requires identifying and intensifying the extent of involvement of all stakeholders in partnership initiatives between Asia and Africa to direct it towards a renewed direction for sustainable and innovative development. The role of youth and women in this partnership between Asia and Africa is also significant.

In addition, the economic, socio-cultural and political-security platforms for such initiatives are also very crucial. Taking into account these aspects, the four components of the AAGC are important for this vision. Due to growth and interconnectedness, and interdependence arising out of these, the AAGC might also influence and eliminate inter-state conflicts in Africa through cooperation, which is one of the visions of Agenda 2063. Raised on the India-Japan bilateral cooperation framework, the AAGC would require active cooperation from, and joint work among international community for its success.

V.2 Organisation of the AAGC Vision Study

For the AAGC vision study, Economic Research Institute for ASEAN and East Asia (ERIA), Research and Information System for Developing Countries (RIS), and Institute of Developing Economies (IDE-JETRO) will organize a joint study team with other think tanks and organisations in Asia and Africa. The preparations for the vision study entails contributions from trans-regional academics and practitioners. The activities of multilateral banks and development cooperation programmes of individual and groups of governments will also be taken on board when this study is launched. The contributors will be from Asia, Africa, and from other parts of the world.

The initial step is to comprehensively survey the existing cooperation and partnership mechanisms between Asia and Africa, including those between their sub-regions. The study will list out the current demands, and challenges of economic, socio-cultural and political partnership and overall growth. The vision study will bring out the existing challenges and barriers to AAGC. The vision study will spell out the cooperation aspects of sustainable growth and development, and the mechanisms for

The AAGC Vision Study will lay down next steps for sustainable and innovative development, as well as partnership between Asia and Africa, through AAGC. This will support the leaders, and other stakeholders, to lay down their policy and action plans in the coming decade.

exchange of best practices. Based on all these aspects, the AAGC Vision Study will make recommendations to the governments of India and Japan, and to governments in Africa, South Asia, Southeast Asia, East Asia and Oceania on the way forward for deepening Asia Africa Partnership.

Structural Assistance for Asia Africa Growth Corridor Study

A Research Support Unit (RSU) comprising of RIS, ERIA and IDE-JETRO will be set up in RIS, New Delhi. The RSU will conduct the preparation of Asia Africa Growth Corridor Study between 2017-2018, and present it to the Governments of India and Japan, and other Leaders and policy makers of Asia and Africa in 2018. The RSU will seek the support of partners in Asia and Africa in preparing the AAGC vision document.

V.3 Expected Outcome and Policy Implications

The study on Asia Africa Growth Corridor will support the leaders, and other stakeholders, to lay down their policy and action plans in the coming decade.

- The study will lay down the next steps for sustainable growth and development, and enrich existing mechanisms of cooperation between all the important stakeholders of Asia and Africa.
- The study will lay down steps for development of institutional and industrial corridor within and between Asia and Africa.
- The study will bring forth institutional mechanisms and models for connecting businesses, people and think tanks that represent, and contribute to, the integration efforts in Asia and Africa.

Annexure 1

India-Japan Joint Statement during the visit of Prime Minister to Japan

November 11, 2016

1. H.E. Mr. Narendra Modi, Prime Minister of the Republic of India, is currently on an official visit to Japan at the invitation of H.E. Mr. Shinzo Abe, Prime Minister of Japan. Earlier today, the two Prime Ministers held wide-ranging consultations on 11 November 2016, in Tokyo, during which they undertook a comprehensive review of the Special Strategic and Global Partnership as outlined in the “India and Japan Vision 2025” set forth on 12 December 2015. They acknowledged the significant progress in bilateral relations over the past two years since Prime Minister Modi’s visit to Japan in August-September 2014.

Synergising the Partnership

2. The two Prime Ministers appreciated the deep civilisational links between the people of the two countries, including the common heritage of Buddhist thought, and underscored their shared commitment to democracy, openness, and the rule of law as key values to achieve peaceful co-existence. They welcomed the high degree of convergence in the political, economic and strategic interests of the two countries that provides an enduring basis for a long-term partnership.
3. The two Prime Ministers underscored the rising importance of the Indo-Pacific region as the key driver for the prosperity of the world. They stressed the core values of democracy, peace, the rule of law, tolerance, and respect for the environment in realising pluralistic and inclusive growth of the region. In this context, Prime Minister Abe appreciated Prime Minister Modi’s active engagement in the region under the “Act East Policy,” and briefed Prime Minister Modi on the “Free and Open Indo-Pacific Strategy.” Prime Minister Modi appreciated Japan’s greater engagement in the region under this strategy. They recognised the potential for deeper bilateral cooperation and synergy between the said policy and strategy.
4. They further stressed that improving connectivity between Asia and Africa, through realising a free and open Indo-Pacific region, is vital to achieving prosperity of the entire region. They decided to seek synergy between India’s “Act East” Policy and Japan’s “Expanded Partnership for Quality Infrastructure,” by closely coordinating, bilaterally and with other partners, for better regional integration and improved connectivity as well as industrial networks based on the principles of mutual consultation and trust.
5. Reviewing the deepening interdependence and complexity of the global agenda, the two Prime Ministers also decided to expand common space and their cooperation on global challenges such as climate change, countering terrorism and violent extremism, reform of the United Nations (UN) including the United Nations Security Council (UNSC), as well as maintaining rules-based international order.
6. Keeping in mind the immense potential for combining Japan’s capital, innovation and technologies with the rich human resources and economic opportunities available in India’s

high-growth economy, the two Prime Ministers underlined the need to intensify cooperation in high technology, space, clean energy and energy sector development, infrastructure and smart cities, bio-technology, pharmaceuticals, ICT, as well as education and skills development to strengthen and deepen their Special Strategic and Global Partnership.

Building a Stronger Partnership for Safer and Stable World

7. Stressing the role of India and Japan for stability and prosperity in the Indo-Pacific region, the two Prime Ministers reiterated the need to further consolidate their security and defence cooperation. They welcomed the entry into force of the two Defence Framework Agreements concerning the Transfer of Defence Equipment and Technology and concerning Security Measures for the Protection of Classified Military Information. They underscored the need to further expand defence engagement through greater two-way collaboration and technology cooperation, co-development and co-production, by expediting discussions for determining specific items including through the Joint Working Group on Defence Equipment and Technology Cooperation.
8. The two Prime Ministers appreciated the successful Annual Defence Ministerial Dialogue held in New Delhi, Japan's regular participation in the Malabar Exercise and the International Fleet Review off the coast of Vishakapatnam. They reaffirmed their desire to further deepen bilateral security and defence dialogues, through the "2+2" Dialogue, Defence Policy Dialogue, Military-to-Military Talks and Coast Guard-to-Coast Guard co-operation. They also welcomed that, with the inaugural air force staff talks held earlier this year, the two sides now have institutional wide ranging dialogue mechanism in place covering all three services. The two Prime Ministers shared their intention to expand dialogue and cooperation in the defence sector to cover exchange of observers in humanitarian assistance and disaster relief (HA/DR) exercises, and exchange and training of personnel in other fields.
9. Prime Minister Modi conveyed his appreciation for Japan's readiness to provide its state of the art defence platforms such as US-2 amphibian aircraft. It symbolises the high degree of trust between the two countries and the distance that Japan and India have covered in advancing their bilateral defence exchanges.

Partnership for Prosperity

10. Prime Minister Modi briefed Prime Minister Abe about his Government's efforts to accelerate economic development through innovative initiatives such as "Make in India," "Digital India," "Skill India," "Smart City," "Swachh Bharat" and "Start-Up India." Prime Minister Abe expressed Japan's firm support for these initiatives by sharing its advanced skills and technologies, through active mobilisation of Japanese public and private sector investments, including through ODA. The two Prime Ministers underscored that these initiatives provide significant opportunities for further collaboration between private sectors of India and Japan.
11. The two Prime Ministers welcomed the steady progress made in the Mumbai-Ahmedabad High Speed Rail (MAHSR) Project, a flagship project between the two countries, through the discussion in the Joint Committee meetings held thrice in 2016.

12. The two Prime Ministers noted the target schedule of the MAHSR Project that the General Consultant will start its work in December 2016, that the construction work will commence by the end of 2018, and that the operation will start in 2023.
13. The two Prime Ministers also welcomed that a task force will be set up comprising representatives of both countries to develop a concrete roadmap for phased transfer of technology and “Make in India.” Both sides will explore further strengthening of partnership in high speed railways. The two Prime Ministers emphasised the critical importance of human resource development in high speed rail technology, operation and maintenance in a planned manner, including the commencement of preliminary work on establishment of HSR Institute and development of its training programme. The two Prime Ministers recognised the importance of accelerating the MAHSR Project by holding the Ground Breaking Ceremony in 2017. The two Prime Ministers noted with satisfaction, the growing collaboration between India and Japan in the modernisation and expansion of conventional railway system in India.
14. The two Prime Ministers decided to cooperate on the human resource development in the manufacturing sector in India through “Manufacturing Skill Transfer Promotion Programme.” This programme will enhance the manufacturing base of India and contribute to “Make in India” and “Skill India,” through training 30,000 persons over next 10 years with Japanese style manufacturing skills and practices through the establishment of the Japan-India Institutes for Manufacturing (JIM) and the Japanese Endowed Courses (JEC) in engineering colleges designated by Japanese companies in India in cooperation between the public and private sectors. The first three JIMs under the Programme would start in summer 2017 in the States of Gujarat, Karnataka and Rajasthan.
15. The two Prime Ministers welcomed the steady progress to realise 3.5 trillion yen of public and private financing to India in five years under the “Japan-India Investment Promotion Partnership.” They also welcomed the progress in the projects at the Western Dedicated Freight Corridor (DFC), the Delhi-Mumbai Industrial Corridor (DMIC) and the Chennai Bengaluru Industrial Corridor (CBIC). The two Prime Ministers also confirmed the importance of securing appropriate implementation of ODA projects.
16. Prime Minister Modi appreciated the significant contribution of Japan’s ODA in the development and modernisation of infrastructure in India. In this regard, the two Prime Ministers welcomed progress in the ODA projects in urban transportation sector such as the Chennai and Ahmedabad Metro, the Mumbai Trans Harbor Link project, and the introduction of the Intelligence Transport System along the Eastern Peripheral Highway in Delhi. Prime Minister Abe expressed Japan’s intention to support the upgrading of the ship-recycling yards of Alang, Bhavnagar District of Gujarat.
17. The two Prime Ministers expressed their strong commitment to work together to enhance connectivity, and welcomed the progress of the projects to enhance road connectivity in North Eastern India. They decided to build upon their cooperation in the field of smart cities to develop smart islands by initiating consultations to identify technologies, infrastructure, development strategies and management processes that would facilitate development of smart islands in an efficient and effective manner.

18. Prime Minister Modi appreciated the provision of ODA loan to the irrigation project in Jharkhand, and the preparatory survey for forest resource management in Odisha and irrigation improvement in Rajasthan and Andhra Pradesh.
19. Prime Minister Modi appreciated Japan's efforts to support the construction of a Convention Centre in Varanasi and recognised its symbolic importance as a sign of strengthening bilateral ties.
20. Prime Minister Abe commended Prime Minister Modi's strong commitment to improve business environment in India, and welcomed reforms undertaken for liberalising investment policies, simplifying and rationalising taxation system through the passage of historic Goods and Services Tax Bill, Insolvency and Bankruptcy Code and other measures.
21. Prime Minister Abe appreciated the actions taken by Prime Minister Modi on improving the business environment in India and creating enabling environment for Japanese investments .Prime Minister Modi appreciated the initiatives by Prime Minister Abe towards establishment of Japan Industrial Townships (JITs). He expressed confidence that establishment of these townships will enhance technology infusion, innovation and best practices in manufacturing sector in India. The two Prime Ministers welcomed the progress related to JITs including the focused planning by selecting a few areas out of the twelve JITs for pilot implementation and special investment incentives. They also agreed to continue to engage in consultation and cooperation in development of JITs.
22. Prime Minister Abe also expressed appreciation for the facilitation provided by the "Japan Plus" for the Japanese companies in India and the coordination by the "Core Group" chaired by Cabinet Secretary for the facilitation of Japan-India Investment Promotion Partnership. The two Prime Ministers noted with satisfaction that the bilateral Strategic Economic Dialogue, Financial Dialogue and meetings on Comprehensive Economic Partnership Agreement (CEPA) were held successfully this year and underlined the importance of these dialogues and their subcommittees to deepen bilateral cooperation. They also welcomed the entry into force of the Agreement on Social Security in October 2016, which would reduce costs of business and further facilitate human and economic exchanges between India and Japan.
23. The two Prime Ministers confirmed the importance of implementing the "Japan-India Make-in-India Special Finance Facility" of up to 1.5 trillion yen by Nippon Export and Investment Insurance (NEXI) and Japan Bank for International Cooperation (JBIC) to promote direct investment of Japanese companies in India. They welcomed the Memorandum Of Understanding (MoU) between the National Investment and Infrastructure Fund (NIIF) and Japan Overseas Infrastructure Investment Corporation for Transport and Urban Development (JOIN) to explore funding for infrastructure projects in India.

Working together for a cleaner and greener future

24. The two Prime Ministers recognised that access to reliable, clean and affordable energy is critical for economic growth of both countries, and in this regard, they welcomed the Japan-India Energy Partnership Initiative laid by the Japan-India 8th Energy Dialogue held in January 2016. They further desired to strengthen bilateral energy cooperation as it will

contribute not only to the energy development of both countries, but also to worldwide energy security, energy access and climate change issue. They also reaffirmed their intention to promote transparent and diversified Liquefied Natural Gas (LNG) market including elimination of destination clause.

25. The two Prime Ministers welcomed the early entry into force of the Paris Agreement on climate change, and reaffirmed their commitment to work together in developing the rules for successful implementation of the Agreement. They also shared the intention to hold as early as possible further consultations on the Joint Crediting Mechanism (JCM).
26. Prime Minister Abe welcomed Prime Minister Modi's efforts, particularly in the area of renewable energy, including the establishment of the International Solar Alliance.
27. The two Prime Ministers welcomed the signing of the Agreement between the Government of Japan and the Government of the Republic of India for Cooperation in the Peaceful Uses of Nuclear Energy which reflects a new level of mutual confidence and strategic partnership in the cause of clean energy, economic development and a peaceful and secure world.
28. Welcoming the growing collaboration between their private and public sector entities in environmentally friendly energy efficient technologies, the two Prime Ministers underlined the importance of promoting further cooperation in such areas as clean coal technologies and popularisation of eco-friendly vehicles including hybrid vehicles, electric vehicles etc.
29. The two Prime Ministers expressed their intention to achieve an early conclusion of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009.

Laying the Foundation of a Future-oriented Partnership

30. The two Prime Ministers recognised the vast potential for deeper bilateral collaboration of science and technology to fundamentally transform societies. They also stressed the importance of enhancing space cooperation, and welcomed the signing of the MOU between JAXA and ISRO. They also appreciated extending cooperation in the area of marine, earth and atmospheric sciences, including through the Memorandum of Cooperation (MOC) between the Ministry of Earth Science and JAMSTEC. They noted the progress made in bilateral IT and IoT cooperation through the bilateral Joint Working Group on IT and Electronics, the Japan-India IoT Investment Initiative in cooperation with JETRO, and Joint Committee on Science and Technology.
31. The two Prime Ministers welcomed the successful holding of the "Asian Ministerial Conference on Disaster Risk Reduction 2016" in New Delhi, following the Third UN World Conference on Disaster Risk Reduction. They recognised the potential for cooperation in the area of disaster management and disaster risk reduction. They also acknowledged the importance of the World Tsunami Awareness Day to raise awareness, promote better understanding of risks and develop tools to address it.
32. The two Prime Ministers also welcomed progress of cooperation in the field of healthcare including antimicrobial resistance, stem cell research, pharmaceuticals and medical devices. They also noted the opportunities for collaboration between Indian and Japanese pharmaceutical companies in light of the target regarding the quantitative share of generic medicines in Japan.

Investing in People for a Durable Partnership

33. The two Prime Ministers stressed the need to further strengthen the opportunities for tourism, youth exchange and educational collaboration, and decided to mark the year 2017 as a year of India-Japan friendly exchanges in the field of culture and tourism. They welcomed the MOC in the field of Cultural Exchange. They expressed their strong desire to promote tourism flows between the two countries and noted with satisfaction the inaugural meeting of India-Japan Tourism Council and look forward to the second meeting in Japan in 2017. They also welcomed the planned opening of the Japan National Tourism Organisation (JNTO) office in Delhi in FY 2016.
34. Prime Minister Abe announced a relaxation of visa requirement for Indian students and expressed his intention to expand the number of visa application sites for Indian nationals to twenty. Prime Minister Abe thanked Prime Minister Modi for extending the Visa on Arrival facility as well as long-term ten-year visas to Japanese tourists and investors.
35. Prime Minister Abe briefed about Japan's new initiative "Innovative Asia" to enhance exchange of skilled human resources in Asia. The two Prime Ministers hoped that this initiative would provide Indian students new avenues to avail of scholarship and internship opportunities and would further foster innovation.
36. The two Prime Ministers noted with satisfaction the successful realisation of the first bilateral High-Level Policy Dialogue on Education, and stressed the need to further strengthen collaboration in education including through expanded university-to-university institutionalised links. The two Prime Ministers also underscored the importance of sharing the best practices regarding the education models, and initiatives such as SAKURA Science Plan (Japan-Asia Youth Exchange Programme in Science) under which young Indian students and researchers visit Japan.
37. The two Prime Ministers welcomed the signing of the MOC on Sports between the Ministry of Youth Affairs and Sports of India and the Ministry of Education, Culture, Sports, Science and Technology of Japan to promote sharing of experiences, skills, techniques, information and knowledge, with a special focus on Tokyo 2020 Olympics and Paralympics. Prime Minister Abe welcomed that Prime Minister Modi offered to support Japan's efforts towards the successful organisation of Tokyo 2020 Olympics and Paralympics.
38. The two Prime Ministers stressed the importance of increased interaction between all levels of the government, between parliament members, and between Prefectures and States. They welcomed the signing of the MOU between the State of Gujarat and Hyogo Prefecture on mutual cooperation. They also expressed satisfaction at the strengthened ties between the City of Kyoto and Varanasi, two ancient cities integral to their respective cultural heritage.
39. Prime Minister Modi welcomed the growing interest in Japan in celebrating the International Day of Yoga. Prime Minister Modi also encouraged the Japanese Yoga enthusiasts to avail of Indian scholarships for training in the most reputed yoga institutes in India.
40. The two Prime Ministers recognised the importance of the empowerment of women and the need to strengthen cooperation in this area, including efforts through conferences such as the World Assembly for Women (WAW!).

41. Sharing the view that the future of Asia needs to build on the positive influence of traditions of non-violence, tolerance, and democracy in Asia, the two Prime Ministers welcomed the symposium on “Shared Values and Democracy in Asia” held in Tokyo in January 2016 and looked forward to the next conference in 2017.

Working Jointly for Strengthening Rules-based International Order in the Indo-Pacific Region and Beyond

42. The two Prime Ministers stressed the potential that the collaboration of India and Japan have in realising prosperous Indo-Pacific region in the 21st century. They decided to draw on the strength of shared values, convergent interests and complementary skills and resources, to promote economic and social development, capacity building, connectivity and infrastructure development in the region. In this regard, Prime Minister Abe proposed a new initiative combining the human, financial and technological resources of the two countries to advance these objectives including through Japanese ODA projects. Prime Minister Modi acknowledged the importance of bilateral cooperation in this regard.
43. The two Prime Ministers underscored the importance of India-Japan dialogue to promote cooperation and collaboration in Africa, with the objective to synergise their efforts and explore specific joint projects including in the areas of training and capacity building, health, infrastructure and connectivity. In this regard, they also expressed their intention to work jointly and cooperatively with the international community to promote the development of industrial corridors and industrial network in Asia and Africa.
44. The two Prime Ministers welcomed the prospects of cooperation between the two countries for promoting peace and prosperity in South Asia and neighboring region, such as Iran and Afghanistan, through both bilateral and trilateral cooperation, inter-alia, in the development of infrastructure and connectivity for Chabahar. They directed their officials to expeditiously work out details for such cooperation.
45. The two Prime Ministers welcomed the holding of trilateral dialogue among Japan, India and the United States, and strengthened coordination and cooperation in such areas as HA/DR, regional connectivity as well as maritime security and safety. The two Prime Ministers also welcomed continued and deepened trilateral dialogue among Japan, India and Australia.
46. Welcoming the progress in strengthening the East Asia Summit (EAS) process as the premier leaders-led forum to discuss regional political, economic and security issues, the two Prime Ministers decided to work together towards making the Summit a more dynamic proactive process. They welcomed the convening of the EAS Ambassadors’ Meeting in Jakarta and the establishment of the EAS Unit within the ASEAN Secretariat. They stressed the importance of enhancing maritime cooperation and regional connectivity within the EAS framework.
47. The two Prime Ministers expressed their willingness to shaping and strengthening the evolving regional architecture through enhanced cooperation in ASEAN-led fora such as ASEAN Regional Forum, ASEAN Defence Ministers’ Meeting Plus, Expanded ASEAN Maritime Forum and coordination of their actions to tackle global and regional challenges including maritime security, terrorism and violent extremism, and climate change.

48. They expressed their strong hope that these regional and trilateral dialogue mechanisms will be further developed and contribute to a balanced, open, inclusive, stable, transparent and rules-based economic, political and security architecture in the Indo-Pacific region.
49. The two Prime Ministers condemned terrorism in strongest terms in all its forms and manifestations in the spirit of “zero tolerance.” They noted with great concern the growing menace of terrorism and violent extremism and its universal reach. They expressed their condolences to the bereaved families of the victims of both countries in the recent terrorist attacks including in Dhaka and Uri. They called upon all countries to implement the UNSC Resolution 1267 and other relevant resolutions designating terrorist entities. They called upon all countries to work towards eliminating terrorist safe havens and infrastructure, in disrupting terrorist networks and financing channels, and stopping cross-border movement of terrorists. They underlined the need for all countries to effectively deal with trans-national terrorism emanating from their territory. They emphasised that the evolving character of terrorism called for stronger international partnership in countering terrorism and violent extremism, including through increased sharing of information and intelligence. The two Prime Ministers noted the ongoing bilateral dialogue on counter-terrorism and called for enhanced cooperation including through greater exchange of information and intelligence between the two sides. They also called for Pakistan to bring the perpetrators of terrorist attacks including those of November 2008 terrorist attack in Mumbai and 2016 terrorist attack in Pathankot to justice.
50. The two Prime Ministers affirmed closer cooperation in safeguarding the global commons and domains such as maritime, space as well as cyber.
51. The two Prime Ministers reiterated their commitment to respecting freedom of navigation and over flight, and unimpeded lawful commerce, based on the principles of international law, as reflected notably in the United Nations Convention on the Law of the Sea (UNCLOS). In this context, they urged all parties to resolve disputes through peaceful means without resorting to threat or use of force and exercise self-restraint in the conduct of activities, and avoid unilateral actions that raise tensions. As the leaders of the State Parties to the UNCLOS, the two Prime Ministers reiterated their view that all parties should show utmost respect to the UNCLOS, which establishes the international legal order of the seas and oceans. Regarding the South China Sea, the two Prime Ministers stressed the importance of resolving the disputes by peaceful means, in accordance with universally recognised principles of international law including the UNCLOS.
52. The two Prime Ministers condemned in the strongest terms North Korea’s continued development of its nuclear weapons and ballistic missile programmes, including its uranium enrichment activities and strongly urged North Korea to refrain from any further provocation, to fully comply with its international obligations and commitments, including under relevant UNSC resolutions and to take actions towards the denuclearisation of the Korean Peninsula. The two Prime Ministers reaffirmed their determination to cooperate against proliferation activities posing a threat to the region. They also urged North Korea to address at the earliest the abductions issue.
53. Prime Minister Abe briefed Prime Minister Modi on Japan’s efforts to further contribute to peace, stability and prosperity of the region including through initiatives such as “Proactive Contribution to Peace.” Prime Minister Modi acknowledged Japan’s positive contribution to regional and global stability and prosperity.

54. The two Prime Ministers called for expeditious reforms of the UN including the UNSC to make it more legitimate, effective and representative, taking into account the contemporary realities of the 21st century and reiterated their resolve to work closely with likeminded partners to realise this goal. They welcomed the creation of the “Group of Friends” on UNSC reform which would provide impetus to the ongoing Inter Governmental Negotiations including significant movement towards the launch of text-based negotiations. The two Prime Ministers reiterated their support for each other’s candidature, based on the firmly shared recognition that India and Japan are legitimate candidates for permanent membership in an expanded UNSC.
55. Recognising India as the largest democracy and a fast growing large economy in the Asia-Pacific region, Japan firmly supports India’s membership in the APEC. The two Prime Ministers decided to work towards liberalisation and facilitation of trade and investment in the Asia-Pacific region. They reaffirmed to cooperate towards conclusion of modern, comprehensive, high quality and mutually beneficial Regional Comprehensive Economic Partnership (RCEP) Agreement. The two Prime Ministers decided to work towards liberalisation and facilitation of trade, including through WTO’s Trade Facilitation Agreement and through enhanced trade in goods and services, and investment in the Asia-Pacific region. The two Prime Ministers reaffirmed the importance of enhancing communication and cooperation on excess capacity in steel industries including through the formation of the Global Forum on steel excess capacity as called for by the G20 leaders this year.
56. The two Prime Ministers reaffirmed their shared commitment to the total elimination of nuclear weapons. Prime Minister Abe stressed the importance of early entry into force of the Comprehensive Nuclear-Test-Ban Treaty (CTBT). They called for an immediate commencement and early conclusion of negotiations on a non-discriminatory, multilateral and internationally and effectively verifiable Fissile Material Cut-off Treaty (FMCT) on the basis of Shannon Mandate. They also expressed their resolve towards strengthening international cooperation to address the challenges of nuclear proliferation and nuclear terrorism.
57. The two Prime Ministers recognised the importance of effective national export control systems. Japan welcomed India’s recent accession to the Missile Technology Control Regime (MTCR) and the Hague Code of Conduct against Ballistic Missile Proliferation (HCOB) and its intensified engagement with the export control regimes. The two Prime Ministers reaffirmed their commitment to work together for India to become a full member in the remaining three international export control regimes: Nuclear Suppliers Group, Wassenaar Arrangement and Australia Group, with the aim of strengthening the international non-proliferation efforts.

Conclusion

58. Prime Minister Modi thanked the Government and people of Japan for their warm hospitality and extended a cordial invitation to Prime Minister Abe to visit India at a mutually convenient time for the next summit meeting. Prime Minister Abe accepted the invitation with appreciation.

Suggested Areas of Cooperation

Enhancing Capacity and Skills

- Dovetail India's experience in developing affordable, appropriate and adaptable technology for development needs with the development plans in different regions/sub-regions of Africa.
- Cooperation to improve the current facilities and infrastructure and human resource conditions of universities in selected African countries where the impact can be quickly attained.
- Vocational training
- Capacities to sustain infrastructure

Quality Infrastructure and Institutional Connectivity

- Power plants, including smart grids, to accommodate renewable energy supply fluctuations.
- Partnership in International Solar Alliance
- Telecommunications
- Connecting Africa with South Asia, Southeast Asia, and East Asia through value chains in goods and services industry, with IT industry as a catalyst/accelerator.
- Create joint ventures and consortiums to develop infrastructure projects, with private sector financing, especially for Green projects.

Development and Cooperation Projects

Agriculture and Agro Processing

- Transfer of knowledge and technology diffusion for management of modern agricultural systems in Africa.
- Establishment of supply chain of crop seeds and agricultural machinery / implements.
- Joint establishment of regional manufacturing and service hubs for these machinery and implements to boost the intensity of farm mechanization.
- Value addition through identified value chains through well-developed programmes by arranging finance and credit system.
- Measures to reduce post-harvest losses of farm commodities such as pulses, cereals, oilseeds, eggs, meat, milk and dairy products modeled on the concept of 'medium and small food processing under special economic zone'.

- Study on improved rain-fed agriculture in East African countries and Island nations of Indian Ocean.
- Regional manufacturing hubs and marketing networks for relevant agricultural machinery.

Health and Pharmaceuticals

- Development of cheaper generic drugs for fight against common diseases in African countries; pharmaceutical manufacturing capabilities; low cost delivery of health services;
- Using digital technology to deliver various services to reduce the health burden.

Disaster Management

- India's experience with management of various natural calamities such as floods, tropical storms, drought conditions etc. can be shared along with technical know-how and technologies for African countries.
- The wealth of mitigative technologies for such eventualities can be jointly pursued in African countries.

People-to-People Partnership

- Greater engagement between people to spread understanding of common interest
- Greater engagement between all stakeholders – academia, think tanks, entrepreneurs, etc. – for sharing of local, national and regional perspectives
- Tourism promotion, visa facilitation and exchanges among people, including exchange of art and culture
- Education and knowledge facilitation through exchange of students and experts

Annexure III

List of Participants

Track 1.5 Meeting on India-Japan Roundtable for Promoting Asia-Africa Economic Development held on 12 January 2017 in New Delhi

Government of India

- Mr. Amar Sinha, Secretary (ER), Ministry of External Affairs (MEA)
- Mr. Pradeep Kumar Rawat, Joint Secretary (EA), MEA
- Mr. Ajit Vinayak Gupte, Joint Secretary (DPA- I), MEA,
- Mr. M. Subbarayudu, Joint Secretary (DPA-III), MEA
- Mr. Pankaj Kumar Singh, Advisor (Infrastructure), MEA
- Dr. (Ms.) Sumitra Chowdhury, Deputy Secretary (PP&R), MEA
- Ms. Geetha Nair, Deputy Secretary (FT), Department of Commerce, Ministry of Commerce and Industry, MEA
- Mr. Manoj Kumar Dwivedi, Joint Secretary, Department of Commerce, Ministry of Commerce and Industry

Government of Japan

- Mr. Yasuhiko Yoshida, Deputy Director General for Trade Policy, Trade Policy Bureau, Ministry of Economy, Trade and Industry (METI)
- Mr. Ichiro Abe, Director, Southwest Asia Division, Trade Policy Bureau, METI
- Mr. Kenko Sone, Minister (Economic and Development), Embassy of Japan, New Delhi
- Mr. Yasujiro Miyake, Counsellor, Embassy of Japan, New Delhi
- Mr. Sho Miura, Second Secretary, Embassy of Japan, New Delhi

Japan External Trade Organization (JETRO)

- Mr. Yasushi Akahoshi, President, JETRO
- Mr. Kazuya Nakajo, Chief Director General, JETRO, New Delhi
- Mr. Ryoji Furui, Director, JETRO, New Delhi
- Mr. Reiko Furuya, Director, JETRO, New Delhi

RIS

- Amb. Shyam Saran, Chairman
- Prof. Sachin Chaturvedi, Director General
- Prof. S.K. Mohanty, Professor
- Prof. T.C. James, Visiting Fellow
- Dr. T.P. Rajendran, Visiting Fellow

ERIA

- Ms. Anita Prakash, Director General, Policy Department
- Mr. Izuru Kobayashi, COO and Director General

IDE-JETRO

- Dr. Kenji Komine, Director General,
- Dr. Shinya Imaizumi, Chief Senior Researcher, Inter-disciplinary Studies Center,
- Dr. So Umezaki, Director, Senior Research Fellow, Economic Integration Studies Group, Inter-disciplinary Studies Center

India

- Dr. Nomita Chandhiok, Scientist 'G', Division of RBMH, Indian Council of Medical Research (ICMR), New Delhi
- Prof. Manmohan Agarwal, RBI Chair Professor, Centre for Development Studies, Thiruvananthapuram
- Mr. David Rasquinha, Deputy Managing Director, Export-Import Bank of India, Mumbai
- Ms. Ruchita Beri, Institute of Defence Studies and Analysis (IDSA), New Delhi
- Mr. Pranav Kumar, Dy. Director General, International Trade Policy, Confederation of Indian Industry (CII), New Delhi

Track 1.5 meeting on Asia Africa Connectivity Programme held on 21 April 2017 in Jakarta

Government of Japan

- Mr. Yasuhiko Yoshida, Deputy Director-General for Trade Policy, Trade Policy Bureau, Ministry of Economy, Trade and Industry (METI)
- Mr. Kazumi Nishikawa, Director, Trade Strategy, Trade Policy Bureau, METI
- Mr. Ichiro Abe, Director, Southwest Asia Division, Trade Policy Bureau, METI

Government of India

- Dr. Neena Malhotra, Joint Secretary, East and South Africa (E&SA) Division, Ministry of External Affairs (MEA)
- Mr. Mohit Yadav, Director, E&SA Division, MEA
- Prof. Ashok Kumar Chawla, Advisor (Japan), MEA

RIS

- Prof. Sachin Chaturvedi, Director General
- Prof. Ram Upendra Das, Professor
- Mr. Chandan, Research Associate

ERIA

- Prof. Hidetoshi Nishimura, President
- Mr. Izuru Kobayashi, COO and Director General
- Ms. Anita Prakash, Director General, Policy Department
- Dr. Ponciano S. Intal, Senior Economist
- Dr. Venkatachalam Anbumozhi, Senior Economist
- Dr. Dionisius A. Narjoko, Senior Economist
- Dr. Fauziah Zen, Senior Economist
- Dr. Lurong Chen, Economist

IDE-JETRO

- Dr. So Umezaki, Director, Economic Integration Studies Group, Inter-disciplinary Studies Center
- Dr. Takahiro Fukunishi, Director, African Studies Group, Area Studies Center
- Dr. Ikumo Isono, Deputy Director, Economic Geography Studies Group, Inter-disciplinary Studies Center

India

- Dr. Santosh Mehrotra, Professor of Economics and Chairperson, Centre for Informal Sector and Labour Studies, School of Social Sciences, Jawaharlal Nehru University, New Delhi
- Dr. Nomita Chandhiok, Consultant, Division of RBMH & CH, Indian Council of Medical Research, Ansari Nagar, New Delhi

Africa

- Dr. Sanusha Naidu, Senior Research Associate, Institute for Global Dialogue, Cape Town, South Africa
- Dr. Roberto Tibana, Economist, Private Consultant, Mozambique

Indonesia

- Dr Kiki Verico, University of Indonesia

Singapore

- Dr. Hank Lim, Senior Research Fellow, Singapore Institute of International Affairs (SIIA), Singapore.

Australia

- Prof. Andrew Elek, Visitor, Australia Japan Research Center (AJRC), ANU

NOTES

NOTES

About RIS

Research and Information System for Developing Countries (RIS) is a New Delhi-based autonomous policy research institute that specialises in issues related to international economic development, trade, investment and technology. RIS is envisioned as a forum for fostering effective policy dialogue and capacity-building among developing countries on global and regional economic issues.

The focus of the work programme of RIS is to promote South-South Cooperation and collaborate with developing countries in multilateral negotiations in various forums. RIS is engaged across inter-governmental processes of several regional economic cooperation initiatives. Through its intensive network of think tanks, RIS seeks to strengthen policy coherence on international economic issues and the development partnership canvas. For more information about RIS and its work programme, please visit its website: www.ris.org.in



www.facebook.com/risindia



[@RIS_NewDelhi](https://twitter.com/RIS_NewDelhi)



www.youtube.com/RISNewDelhi

Follow us on:

About ERIA

The Economic Research Institute for ASEAN and East Asia (ERIA) was established at the 3rd East Asia Summit (EAS) in Singapore on 21 November 2007. It is an international organisation providing research and policy support to the East Asia region, and the ASEAN and EAS summit process. 16 member countries of EAS: Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam, Australia, China, India, Japan, Republic of Korea, and New Zealand are members of ERIA.

ERIA works closely with ASEAN Secretariat and 16 Research Institutes in the EAS countries. ERIA's research and policy work are aimed to stimulate economic growth, deepen regional integration and strengthen partnerships within East Asia, and beyond. Since 2011, ERIA has been officially mandated by the EAS leaders to support the activities of the chair country of ASEAN and EAS for the summit meetings and related activities.



www.facebook.com/ERIA.org



[@ERIAorg](https://twitter.com/ERIAorg)



www.youtube.com/c/EriaOrg-Indonesia

Follow us on:

About IDE-JETRO

The Institute for Developing Economies was set up in 1958 in Tokyo, Japan, to make intellectual contributions to the world as a leading center of social-science research on developing regions. The institute carries out research on issues that are pertinent to developing regions and disseminates the results, both in Japan and abroad, for a better understanding of issues of developing economies. IDE's activities provide an intellectual foundation to facilitate cooperation between Japan and the international community for addressing development issues.



“Deeper economic engagement, growth of trade, manufacturing and investment ties, focus on clean energy, partnership to secure our citizens, and cooperation on infrastructure and skill development are among our key priorities.”

-- Mr. Narendra Modi

Prime Minister of India during his visit to Japan, November 11, 2016



“Now it is Asia, and it is also Africa, more than anywhere else, where you find the spirit of growth in the breeze, together with the rich soil of dynamic growth potential. Asian and African nations are Japan’s partners for growth.”

-- Mr. Shinzo Abe

Prime Minister of Japan at the Asian-African Summit 2015
April 22, 2015, Jakarta



RIS

Research and Information System
for Developing Countries

विकासशील देशों की अनुसंधान एवं सूचना प्रणाली

Core IV-B, Fourth Floor, India Habitat Centre
Lodhi Road, New Delhi-110 003 India
Ph. 91-11-24682177-80, Fax: 91-11-24682173-74
Email: dgoffice@ris.org.in, Website: www.ris.org.in



**Economic Research Institute for
ASEAN and East Asia (ERIA)**

Sentral Senayan II, 5-6th Floor, Jalan Asia Afrika,
Senayan, Jakarta Pusat 10270, Indonesia,
Ph. : +62-21-57974460, Fax: +62-21-57974464
Email: info@eria.org, Website: www.eria.org