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Organisation de Coopération et de Développement Économiques
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English - Or. English

DEVELOPMENT CO-OPERATION DIRECTORATE

**THE CHINA-DAC STUDY GROUP EVENT ON INFRASTRUCTURE - UPDATE ON PARTICIPANTS
AND DRAFT AGENDA**

Beijing, Sunday 19 and Monday 20 September 2010

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The Director
DEVELOPMENT CO-OPERATION DIRECTORATE

14 September 2010

Dear DAC Delegates,

**China-DAC Study Group event on Infrastructure
Up-date on participants and draft agenda**

On 28 June 2010, I wrote to you asking you to propose up to two participants from your government/organisation to take part in the China-DAC Study Group event on Infrastructure [see: DCD/DIR(2010)6]. The International Poverty Reduction Centre in China (IPRCC) will host this event at its premises in Beijing on Sunday 19 (a working day in China) and Monday 20 September 2010.

I am pleased to advise that more than 80 participants have now been registered for this event and, as desired, a broad range of people will attend. The event will be truly international, with participants from China, African countries and OECD members. There will also be a good mixture in terms of professional backgrounds (government, academia, the private sector, NGOs and the donor community, both bilateral and multilateral).

As the attached draft agenda shows, a large number of senior and experienced people will be sharing their knowledge at this event which will:

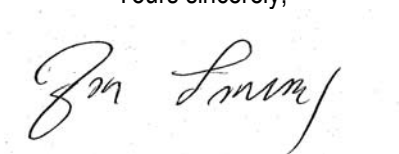
- i) Review the development path, strategies, achievements and challenges of China and African countries in three dimensions of infrastructure – ensuring sustainability, achieving efficiency and increasing impact.
- ii) Analyse the means through which investments in infrastructure have brought about economic growth and poverty reduction in China, and consider the relevance of this experience for countries in Africa.
- iii) Examine the increasing role of China's engagement in Africa's infrastructure and its potential impact and compare this with the lessons learnt by international donors.
- iv) Explore the opportunities, means and benefits from better co-operation on support to infrastructure between China, DAC donors and African countries.

This is an opportune moment to hold the China-DAC Study Group event in Beijing, coming just a month after the celebration of 60 years of China's development efforts. A National Conference on Foreign Aid was held, attended by President Hu Jintao and a major policy statement was made by Prime Minister Wen Jiabao. The Study Group event will thus offer a chance to learn more about the evolving policy thinking on aid in China and to look ahead to opportunities for co-operation between the DAC and China in that context.

The range of participants and high quality of presentations will help ensure that discussions are lively and that useful lessons can be drawn from participants' collective experience. The lessons from this and the Study Group's other events – on Development Partnerships (Beijing, 28-29 October 2009), on Agriculture, Food Security and Rural Development (Bamako, 28-29 April 2010) and on the Enabling Environment for Enterprise Development (in Africa, early 2011) - will be presented and discussed at a policy symposium in Beijing planned for April 2011 and published in a report targeted at policy makers and the general public.

More generally, this event will make an important contribution to broader international efforts, including within the G20 context, to tackle the serious constraint that infrastructure bottlenecks and deficits represent for promoting growth and reducing poverty in low-income countries.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Jon Lomoy". The signature is written in a cursive, flowing style.

Jon Lomoy

CC: Members of the DAC Network on Poverty Reduction (POVNET)
Members of the China-DAC Study Group



ORGANISATION
FOR ECONOMIC
CO-OPERATION
AND DEVELOPMENT



Draft

Promoting learning between
China, African countries and OECD-DAC Members on

**Infrastructure:
The Foundation for Growth and Poverty Reduction**

Event organised by the

China-DAC Study Group

Chaired by

The International Poverty Reduction Centre in China (IPRCC) and OECD-DAC

19-20 September 2010

Beijing, China

**N.B. UNLESS OTHERWISE INDICATED, THE PARTICIPATION OF SPEAKERS IS
CONFIRMED**

BACKGROUND AND OBJECTIVES

To facilitate the sharing of experiences and promote learning on economic growth and poverty reduction, the China-DAC Study Group was established by the International Poverty Reduction Centre in China (IPRCC) and the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD-DAC) in January 2009.

The Study Group is focusing its work on two themes:

- China's experience of economic growth and poverty reduction, including the contribution of international assistance, and its relevance for other developing countries, particularly in Africa.
- China's economic co-operation with Africa and the lessons that China and more established donors can share with each other to increase the collective impact of foreign aid on reducing poverty in Africa.

These themes are being addressed during a series of evidence-based policy dialogue events, which enables a larger number of stakeholders to be involved in the Study Group's activities. Reflecting the needs in many African countries today, during 2009-10 the Study Group is considering four topics which influence both the pace of economic growth as well as the extent to which economic growth contributes to reducing poverty:

- Development partnerships.
- Agriculture, food security and rural development.
- Infrastructure.
- The enabling environment for enterprise development.

The Study Group's first event on "Development Partnerships for Growth and Poverty Reduction" took place in Beijing, China in October 2009. The second event on "Agriculture, Food Security and Rural Development for Growth and Poverty Reduction" took place in Bamako, Mali in April 2010.

This third event will focus on the role of infrastructure in promoting economic growth and reducing poverty by addressing three key dimensions of infrastructure development: i) ensuring sustainability – including financing, maintenance and environmental impact, ii) achieving efficiency – including planning, resource allocation and public-private partnerships, and iii) increasing impact on economic growth and poverty reduction – including procurement approaches, linkages into the local economy and involving poor people in decision-making processes.

More specifically, the event on Infrastructure will:

- Review the development path, strategies, achievements and challenges of China and African countries in the three dimensions of infrastructure – ensuring sustainability, achieving efficiency and increasing impact.
- Analyse the means through which investments in infrastructure have brought about economic growth and poverty reduction in China, and consider the relevance of this experience for countries in Africa.
- Examine the increasing role of China's engagement in Africa's infrastructure and its potential impact and compare this with the lessons learnt by international donors.
- Explore the opportunities, means and benefits from better co-operation on support to infrastructure between China, DAC donors and African countries.

The main findings and emerging lessons from the Study Group's series of events in 2009-10 will be presented and discussed at a policy symposium in Beijing planned for April 2011.

PROGRAMME

19 September 2010 (Day 1)

Opening Ceremony 9:00-9:40 Chair: Huang Chengwei, Deputy Director-General, International Poverty Reduction Centre in China (IPRCC)		
9:05-9:15	Welcoming remarks Zheng Wenkai, Deputy Director, State Council Leading Group Office of Poverty Alleviation and Development, China	10 minutes
9:15-9:25	Development co-operation in infrastructure and implications for growth and poverty reduction in Africa Fantu Cheru, Research Director, The Nordic African Institute	10 minutes
9:25-9:35	Main lessons from the China-DAC Study Group's events on Development Partnerships and on Agriculture, Food Security and Rural Development Richard Carey, Co-Chair, China-DAC Study Group	10 minutes

9:40-10:00 Coffee break

Session 1: The Contribution of infrastructure to China's economic growth and poverty reduction

Master of Ceremonies for Day 1:
Peter Craig-McQuade, Head of Unit, European Commission, Brussels

Investment in infrastructure, using both domestic and international resources, has been crucially important for China's recent development. Thirty years ago, throughout the country, unreliable, inefficient and poorly maintained infrastructure – especially for transport, energy, water and sanitation and irrigation - was a major bottleneck. Since then, there has been substantial support for infrastructure development in rural areas, for example for irrigation systems and transport. This has made it possible to improve agricultural production, despite extremely scarce arable land per capita. It has also made a substantial contribution to reaping the comparative advantages from linking domestic regions as well as facilitated China's entry into global markets. The pertinence of the expression "if you want to be rich, first build a road" has been demonstrated numerous times across all parts of China.

During Day 1 of this event, discussions will examine how infrastructure has been built up in China and how this has made a contribution to China's economic growth and poverty reduction, focussing on three key dimensions of infrastructure development: i) ensuring sustainability, ii) achieving efficiency, and iii) increasing impact on growth and poverty reduction. Particular attention will be paid to identifying relevant experiences and lessons for African countries, where infrastructure needs remain great. The session will:

- Clarify China's strategies and policies, at both national and provincial levels, in achieving infrastructure development for the country's economic growth and poverty reduction.
- Provide an overview of the economic and social conditions that underpinned infrastructure development over the last 30 years in China, drawing special attention to highlighting the major elements that have contributed to this achievement, identifying the contribution of international assistance and drawing out lessons from these processes.
- Examine the relevance and implications of this progress to other developing countries, particularly in Africa. This will include an analysis of China's approach in the infrastructure area and the role played by pilot projects (whether or not involving outside donors) in China's overall reform process.

Plenary presentations 10:00-12:15		
10:00-10:20	Keynote presentation: Infrastructure, economic growth and poverty reduction in China: Key experiences and lessons _____, National Development Reform Commission – TBC	20 minutes
10:20-10:35	The role of donors in China in the field of infrastructure Wang Haimin, Associate Professor, China Agricultural University to present the study	15 minutes
10:35-10:50	Are China's experiences in the field of infrastructure useful to Africa? Joseph Onjala, Institute for Development Studies, University of Nairobi	15 minutes
10:50-12:15	Comments and discussions	85 minutes

12:15 – 13:30 Lunch

Introduction to the Parallel Workshops Robert Haas, Head of East Asia Division, BMZ, Bonn 13:30-13:40
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Parallel Workshops 13:45-15:45		
	Workshop 1: How China has ensured sustainability in infrastructure development (including financing, maintenance and environmental impact) Chair: Simon Sharpe, First Secretary, EU Delegation in Beijing Rapporteur: Jennifer Adams, Development Counsellor, USAID	
13:45-14:15	Presentations 1. Su Ming, Research Institute for Fiscal Science, Ministry of Finance – Public Finance and Infrastructure Finance 2. Naohiro Kitano, Director General, JICA 3. Lin Jiabin, Senior Research Fellow, Development Research Center, State Council - tbc	10minutes 10minutes 10minutes
14:15-15:45	Comments and discussion	90minutes

	Workshop 2: How China has achieved efficiency in the delivery of infrastructure (including planning, resource allocation and public-private partnerships) Chair: Wang Xiaolin, Division Director, Research, IPRCC Rapporteur: Michael Stirnweiss, BMZ	
13:45-14:15	Presentations 1. Tang Min, CDRF- The contribution of State-owned enterprises 2. Li Zhigang– Hong Kong University – Efficiency of transport infrastructure	10minutes 10minutes

	investment in China 3. Liu Zhi, Lead Infrastructure Specialist, World Bank, Infrastructure Development and growth and the World Bank	10minutes
14:15-15:45	Comments and discussion	90minutes

	Workshop 3: I How China has increased the impact on economic growth and poverty reduction of infrastructure development (including procurement approaches, linkages into the local economy and involving poor people in decision-making processes) Chair: Jean-Raphael Chaponniere, AfD Rapporteur: Adrian Davis, Head of China and Asia, DFID	
13:45-14:15	Presentations 1. Capital Utilization Dept of NDRC /Ministry of Finance, China – TBC 2. David Sobel, Asian Development Bank 3. Zhang Linxiu, Institute of Geographic Sciences and Natural Resources Research, Chinese Academy of Sciences- Infrastructure and poverty	10minutes 10minutes 10minutes
14:15-15:45	Comments and discussion	90minutes

15:45-16:00 Coffee

Plenary session and open discussion 16:00-17:40		
16:00-16:30	Reports from the parallel workshops: Ensuring sustainability: Jennifer Adams, USAID Achieving efficiency: Michael Stirnweiss, BMZ Increasing impact: Adrian Davis, DFID	10 minutes 10 minutes 10 minutes
16:30-17:40	Open discussion	70 minutes

Summary of first day's discussions 17:40-18:00		
17:40-17:50	Richard Carey, Co-Chair, China-DAC Study Group	10 minutes
17:50-18:00	Li Xiaoyun, Dean, China Agricultural University and Director, China-DAC Study Group	10 minutes

19:00 – Reception hosted by Alexander McLachlan, Political Counsellor, the European Union
Venue: Galileo Room of the EU Delegation in Sanlitun, Beijing
(Invitations will be distributed at the registration desk)

20 September 2010 (Day 2)

Session 2: Supporting infrastructure in Africa and increasing its impact on economic growth and poverty reduction

**Master of Ceremonies for Day 2:
He Wenping, Director, African Studies, Chinese Academy of Social Sciences (CASS)**

Sub-Saharan Africa suffers from a huge infrastructure backlog, at both the national and regional levels. By depressing firm productivity and retarding per capita growth rates, consumers in Africa pay exceptionally high prices for infrastructure services; between twice and ten times more than in developing countries in other regions. Annual infrastructure needs in Africa have been costed at USD 93 billion (of which one third for maintenance). Annual spending (domestic and foreign, public and private) is now about USD 45 billion and efficiency gains worth USD 17 billion are available. This leaves an annual funding gap of USD 31 billion (or 5% of GDP), mainly in the power sector.

China is helping to fill this gap. While there are no official data available on China's economic co-operation with Africa, China's total support for African infrastructure - both concessional and non-concessional - has been estimated to have oscillated at around USD 500 million a year in the early 2000s, rising to USD 5 billion in 2007 and in 2008 (according to the Infrastructure Consortium for Africa). Chinese infrastructure investments have been recorded in 35 countries across sub-Saharan Africa. Loans from the China Exim Bank account for the vast majority of China's infrastructure finance for Africa.

The Tanzania-Zambia Railway, completed in 1976, is one of the earliest and largest projects that China has completed in Africa. Recognising that "underdeveloped infrastructure is an obstacle to Africa's development and integration" (Sharm El-Sheikh Action Plan 2010-2012), more recently China's support for infrastructure has gone mainly into power (especially hydropower), transport (especially railways) and telecommunications (mainly equipment supply). Water projects attract the least support. China is thus following its own experience by focusing on areas that contribute to expanding the productive potential of the economy. At the same time, cross-border infrastructure may have a higher priority for African countries than for China.

OECD-DAC members and other development agencies also have a long history of supporting Africa's infrastructure. In 2007 and in 2008, bilateral and multilateral donors disbursed a total of approximately USD 4 billion of official development assistance (ODA) to support economic infrastructure development in Africa (according to OECD figures). Africa's infrastructure and its research and development capacity have also been influenced by the donor community. Given that China is now the largest external source of infrastructure investment in Africa, it is natural to ask what lessons China can draw from this international experience, especially to accelerate economic growth and poverty reduction in Africa, and how co-operation can be strengthened.

Many difficult issues surround foreign involvement in infrastructure in Africa, whether from China or OECD countries. These issues include: i) ensuring sustainability, ii) achieving efficiency, and iii) increasing impact on economic growth and poverty reduction. Transparency is another difficult issue but has been receiving increasing attention recently (such as in the G-20 Toronto Summit Declaration). Day 2 of this event will facilitate a discussion about how China and other development agencies can address these issues to support Africa's development. The session will:

- Review the policies and strategies China has developed to support Africa's development in the field of infrastructure.
- Review the impact of development assistance policies of other development agencies on Africa's development in the field of infrastructure.
- Highlight the impacts of those interventions on economic growth and poverty reduction in Africa.
- Explore the modalities and expected benefits of strengthening trilateral co-operation between China, DAC members and African countries in the field of infrastructure.

Plenary presentations 9:00-11:00		
9:00-9:20	Keynote presentation – Addressing Africa’s infrastructure needs: Key challenges, key contributions Aboubakari Baba-Moussa, Director for Infrastructure and Energy, African Union Commission – TBC	20 minutes
9:20-9:40	Keynote presentation: China’s support for infrastructure development in Africa: Ensuring sustainability, achieving efficiency and increasing impact Wang Jianye, Chief Economist, China ExIm Bank	20 minutes
9:40-9:50	The evolution of China’s support for infrastructure development: Policies, approaches and instruments Deborah Brautigam, American University	10 minutes
9:50-10:00	The evolution of DAC Members’ support for infrastructure development: Policies, approaches and instruments Antonio Garcia Frago, Head of Unit for Economic development: Infrastructure and communication networks, trade and regional integration, European Commission	10 minutes
10:00 – 11:00	Comments and discussions	60 minutes

11:00-11:15 Coffee break

Debriefings and comments and discussions continued 11:15-12:00		
11:15-11:25	Feedback from the Global Development Learning Network Consultation Edward Brown, Director, African Center for Economic Transformation, Ghana	10 minutes
11:25-11:35	Feedback from field visit to D.R. Congo Hans Holm Petersen, Project Manager/Consultant	10 minutes
11:35-12:00	Comments and discussions	25 minutes

12:00 – 13:00 Lunch

<p>Introduction to the Parallel Workshops</p> <p>Li Anshan, Director, Institute of Afro-Asian Studies, Peking University</p> <p>13:00-13:10</p>
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<p>Parallel Workshops</p> <p>13:15-15:15</p>		
	<p>Workshop 1:</p> <p>Ensuring sustainability (including financing, maintenance and environmental impact)</p> <p>Chair: Naohiro Kitano, Director General, JICA</p> <p>Rapporteur: Nick Costello, EU</p>	
13:15-13:45	<p>Presentations</p> <p>1. Helmut Asche, Director, Institute for African Studies, Leipzig University- Building up “soft” infrastructure</p> <p>2. Chen Chuan, University of Melbourne</p> <p>3. Wang Luo, CAITEC, MOFCOM- Infrastructure as an integrate part of China-Africa Development Cooperation and the newly established China-Africa Research Center</p>	<p>10 minutes</p> <p>10 minutes</p> <p>10 minutes</p>
13:45-15:15	Comments and discussion	9 0minutes

	<p>Workshop 2:</p> <p>Achieving efficiency (including planning, resource allocations and public-private partnerships)</p> <p>Chair: Tadashi Suzuki, JICA</p> <p>Rapporteur: Tori Tveit, Confederation of Norwegian Enterprise</p>	
13:15-13:45	<p>Presentations</p> <p>1. Xue Hong, Director, CAITEC, MOFCOM The features of China’s infrastructure investments in Africa</p> <p>2. Wang Jianye, Chief Economist, The Export-Import Bank of China- Increasing the Efficiency of Infrastructure Investment in Africa</p> <p>3. Craig Bond, Standard Bank –TBC</p>	<p>10 minutes</p> <p>10 minutes</p> <p>10 minutes</p>
13:45-15:15	Comments and discussion	9 0minutes

	<p>Workshop 3:</p> <p>Increasing impact on economic growth and poverty reduction (including procurement approaches, linkages into the local economy and involving poor people in decision making processes)</p> <p>Chair: Mao Xiaojing, CAITEC</p> <p>Rapporteur: Bill Nicol, OECD</p>	
13:15-13:45	<p>Presentations</p> <p>1. Hitoshi Shoji, Jica, Former Vice Chair of POVNET Guiding Principles for using Infrastructure to reduce poverty</p>	<p>10 minutes</p>

	2. China's engagement and its impact on Africa's poor , Sanne Mars, Stellenbosch University - TBC	10 minutes
	3. Jean Claude Maswana , Research Institute of JICA	10 minutes
13:45-15:15	Comments and discussion	90 minutes

15:15-15:30 Coffee

Plenary Session and open discussion 15:30-17:00		
15:30-16:00	Reports from the parallel workshops: Ensuring sustainability: Nick Costello, EU Achieving efficiency: Tori Tveit, Confederation of Norwegian Enterprise Increasing impact: Bill Nicol, OECD	10 minutes 10 minutes 10 minutes
16:00-17:00	Open discussion	60 minutes

Summary of the event 17:00-17:20		
17:00-17:10	Richard Carey, Co-Chair, China-DAC Study Group	10 minutes
17:10-17:20	Li Xiaoyun, Dean, China Agricultural University and Director, China-DAC Study Group	10 minutes

Closing Ceremony 17:30-18:00		
Chair: Peter Craig-McQuade, Head of Unit, European Commission, Brussels		
17:30-18:00	Closing remarks Zhang Lei, Director-General of International Affairs, LGOP Jon Lomoy, Director for Development Co-operation, OECD African representative (e.g. Dean of the African Ambassadors in Beijing or Vice-Minister from Africa) – TBC	10 minutes 10 minutes 10 minutes