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Organisation de Coopération et de Développement Économiques  
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**28-Jun-2010**

**English - Or. English**

**DEVELOPMENT CO-OPERATION DIRECTORATE**

**THE CHINA-DAC STUDY GROUP EVENT ON INFRASTRUCTURE - INVITATION TO PROPOSE PARTICIPANTS**

**Beijing, Sunday 19 and Monday 20 September 2010**

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**The Director**  
DEVELOPMENT CO-OPERATION DIRECTORATE

28 June 2010

Dear DAC Delegates,

**Invitation to propose participants for the China-DAC Study Group event on Infrastructure  
Beijing, Sunday 19 and Monday 20 September 2010**

The China-DAC Study Group is organising an international event on “Infrastructure: The Foundation for Growth and Poverty Reduction” in Beijing on Sunday 19 September (a working day in China) and Monday 20 September 2010. The International Poverty Reduction Centre in China (IPRCC) will host the event at its premises in Beijing.

Infrastructure bottlenecks and deficits represent serious constraints to growth and poverty reduction in low-income countries. This event, including its south-south dimensions and its focus on infrastructure software as well as hardware, will make an important contribution to international efforts, including as proposed at the recent G20 Summit, to tackling this problem.

The China-DAC Study Group was formed in 2009 to provide a platform for sharing experiences and promoting learning about growth and poverty reduction in China and African countries. In order to associate a larger number of key stakeholders in its activities, the Study Group is organising a series of events during 2009 and 2010. The Study Group’s first event on “Development Partnerships” took place in Beijing in October 2009. Its second event on “Agriculture, Food Security and Rural Development” took place in Bamako, Mali in April 2010.

The Study Group’s third event will focus on the role of infrastructure in promoting growth and reducing poverty. Specifically, it will:

- Explore the development path, strategies, achievements and challenges of China and African countries in three dimensions of infrastructure – sustainability, efficiency and impact on poverty reduction – and explore the relevance and implications of China’s experience for Africa;
- Analyse the concrete mechanisms by which investments in infrastructure have brought about economic growth and poverty reduction in China, and the extent to which these provide useful examples for Africa.
- Examine the increasing role of China’s engagement in Africa’s infrastructure and its potential impact and compare these with the lessons learned by international donors.

A draft programme outline for the event is attached for your information.

The Study Group will subsequently organise a fourth event in a African (probably in Ethiopia) at the end of 2010 on “The Enabling Environment for Enterprise Development”. The main findings from the Study Group’s series of events will then be synthesised and published in a report targeted at policy makers and the general public. Further information on the China-DAC Study Group is available on the Internet at: [www.iprcc.org](http://www.iprcc.org).

The Study Group will invite around 100 senior-level people to take part in the event on Infrastructure. Ideally, there will be equal numbers of participants from China, African countries and the donor community. As substantial time has been

allocated throughout the event for open discussions, all participants are expected to have the knowledge and experience that will enable them to contribute actively to the event and to help identify the main lessons from participants' collective experience.

Bearing in mind the constraints on overall attendance, participation will be by invitation only. The Study Group will be pleased to invite policymakers or practitioners with substantial experience related to infrastructure programmes in China and/or African countries. Experience of working with emerging donors would be an advantage.

You are invited to propose up to two (2) participants from your government/organisation for this event.

Please forward your proposals with full contact details (name, title, institution, address and e-mail address) **by Monday 12 July 2010** to: Mr Xiaolin Wang (e-mail: [wangxl2060@gmail.com](mailto:wangxl2060@gmail.com)) and Ms Linyi Li (e-mail: [lilinyi@iprcc.org.cn](mailto:lilinyi@iprcc.org.cn)) at the International Poverty Reduction Centre in China, copied to Ms Angela Stuart (e-mail: [angela.stuart@oecd.org](mailto:angela.stuart@oecd.org)) at the OECD.

Selected participants will subsequently receive a formal invitation, the event agenda, background documentation and further practical information.

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

Sharing Experiences between

China, African countries and OECD-DAC Members

To promote learning on

### **Infrastructure: The foundation for Growth and Poverty Reduction**

Event organised by the

China-DAC Study Group

Chaired by OECD-DAC and the International Poverty Reduction Centre in China

Sunday 19 and Monday 20 September 2010  
Beijing, China

## Background and Objectives

To facilitate the sharing of experiences and promote learning on growth and poverty reduction, the China-DAC Study Group has been 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). The Study Group is focusing its work on two themes:

- China's experience of 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 its impact on poverty reduction.

The objective of the Study Group is to provide an international platform for exchanging views among a range of stakeholders and distilling lessons learnt, thus enhancing capacity to meet some of the new challenges of global development. The Study Group is taking an events-driven approach in order to involve a larger number of stakeholders in its activities.

Through a series of evidence-based policy dialogue events, the Study Group is looking at four issues that reflect the needs in many African countries today:

- a) development partnerships,
- b) agriculture, food security and rural development,
- c) infrastructure and
- d) the enabling environment for enterprise development.

The Study Group's first event on "Development Partnerships for Growth and Poverty Reduction" took place in Beijing 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 growth and reducing poverty. More specifically, the event will:

- Explore the development path, strategies, achievements and challenges of China and African countries in three dimensions of infrastructure – sustainability, efficiency and impact on poverty reduction – and explore the relevance and implications of China's experience for Africa;
- Analyse the concrete mechanisms by which investments in infrastructure have brought about economic growth and poverty reduction in China, and the extent to which these provide useful examples for Africa.
- Examine the increasing role of China's engagement in Africa's infrastructure and its potential impact and compare with the lessons learned by other international donors in this sector.

## I. PROGRAMME OVERVIEW

19 September 2010	08:30 – 9:50	<b>Opening Ceremony</b>
	10:20 – 18:00	<b>Session 1</b> <b>"Infrastructure: its contribution to China's Growth and Poverty Reduction"</b>
	19:00	<b>Welcome Reception (hosted by the EU - TBC)</b>
20 September 2010	09:00 – 17:20	<b>Session 2</b> <b>"Supporting Infrastructure in Africa and increasing its impact on sustainable growth and poverty reduction"</b>
	17:20 – 18:00	<b>Closing Ceremony</b>

## II. DETAILED PROGRAMME

19 September 2010 (Day 1)

### Opening Ceremony

#### **Session 1: Infrastructure: its contribution to China's Growth and Poverty Reduction**

A key factor which has been crucially important for China's recent development is investment in infrastructure, from both domestic and international resources. Throughout the country, unreliable, inefficient and poorly maintained infrastructure – especially for transport, energy, water and sanitation and irrigation - was a major bottleneck. Over the last 30 years, there has been substantial support for infrastructure in rural areas, for example for irrigation systems, agricultural market development and processing techniques. This has made it possible to improve agricultural production despite extremely scarce arable land per capita. Railways, roads and other transport infrastructure has also been rapidly developed, which has made a substantial contribution to reaping the comparative advantage from linking domestic regions and facilitated 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.

The key experience of China's infrastructure development is not just the investment, but the policies that enabled fruitful use of resources and the capacity to maintain them. Policies were developed so as to promote economic growth and poverty reduction within a well-defined institutional and financial framework. This included decentralised financial investments and revenue redistribution. It also included a division of responsibilities between the central and local authorities, between the state and private markets and between public and private actors, all of which was based on a cross-regional approach. The considerable contribution of infrastructure to China's poverty reduction is now well documented.

Many countries in sub-Saharan Africa suffer from a huge backlog of needed infrastructure. In sub-Saharan Africa, annual infrastructure needs have been costed at USD 17-22 billion while annual spending (domestic and foreign, public and private) is about USD 10 billion. The region's infrastructure financing gap is thus USD 7-12 billion per year, or an estimated 4.7% of GDP. China is helping to fill this financing gap and is now the largest external source of infrastructure projects in Africa. China's commitment for African infrastructure has oscillated at around USD 500 million a year in the early 2000s but rose to USD 7 billion in 2006. China's infrastructure investments in Africa are mainly distributed in two sectors, power and transport, followed by telecommunications and water. China is thus following its own experience by focusing on areas that contribute to expanding the productive potential of the economy. However, further analysis can usefully assess whether these investments could make a more substantial contribution to reducing poverty in African countries. For example, cross-border infrastructure is a much more pertinent issue for African countries than for China.

Day 1 of the workshop will facilitate a discussion about how infrastructure has taken place in China, how this has made a contribution to China's growth and poverty reduction, paying particular attention to the experiences and lessons for African countries. The session will:

- Clarify China's strategy and policies in achieving infrastructure development for the country's growth and poverty reduction.
- Provide an overview of the causes of infrastructure development over the last 30 years, draw special attention to the major elements that have contributed to this achievement and identify the contribution of international assistance, and also draw lessons from these processes.
- Examine the relevance and implications of this progress to other developing countries particularly in Africa. 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 would be particularly useful.

#### **Keynote presentations:**

1. Infrastructure and poverty reduction in China: Key experiences and lessons

2. The role of donors in China in the field of infrastructure
3. Are China's experiences in the field of infrastructure useful to Africa?

### **Comments and discussions**

#### **Lunch**

#### **Parallel Workshops**

Workshop 1: Infrastructure in China: How China ensures sustainability (including financing and maintenance)

Workshop 2: How China achieves efficiency in the delivery of infrastructure (including planning and public-private partnerships)

Workshop 3: The role of infrastructure in China's growth and poverty reduction: Strategies, causes and performance

### **Plenary Session and open discussion**

#### **20 September 2010 (Day 2)**

#### **Session 2: Supporting infrastructure in Africa and increasing its impact on sustainable growth and poverty reduction**

The Tanzania –Zambia Railway completed in 1976 is one of the earliest and largest projects that China has completed in Africa. More recently, China has become a primary financier of infrastructure projects in Africa. During the last Forum on China-Africa Cooperation (FOCAC) in November 2009, both Africa and China stated that "underdeveloped infrastructure is an obstacle to Africa's development and integration" (Sharm El-sheikh Action Plan 2010-2012). China's support for infrastructure in Africa has gone mainly into power (especially hydropower), transport (especially railways) and telecommunications (mainly equipment supply). Water projects attract the least support. China's infrastructure finance in Africa has been recorded in 35 countries across sub-Saharan Africa. China ExIm Bank loans account for the vast majority of China's infrastructure finance for Africa.

OECD-DAC members and other development assistance agencies also have a long history of supporting Africa's infrastructure. Africa's infrastructure and its research and development capacity have been influenced by the donor community. It is consequently natural to ask what lessons China can draw from this international experience, especially to accelerate Africa's growth and poverty reduction. For its part, China's own experience and engagement in Africa provides an alternative approach for consideration.

Day 2 of the programme will facilitate a discussion about how both China's and other development assistance agencies' engagement in Africa's infrastructure can best contribute to Africa's growth and poverty reduction. The session will:

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

The session will start with a summary of main points emerging from the previous day's discussions and how they relate to infrastructure development in Africa

**Keynote presentations:**

1. China's development in the infrastructure area and economic co-operation with Africa: key policies and economic/financial instruments used
2. Development co-operation between Development Agencies and Africa in the Field of Infrastructure: Key Lessons
2. African Perspectives on the China's Development Assistance to Africa's Infrastructure

**Comments and discussions**

**Lunch**

**Parallel Workshops:**

Workshop 1: Infrastructure in Africa: Sustainability (including financing and maintenance)

Workshop 2: Infrastructure in Africa: Efficiency (including planning and public-private partnerships)

Workshop 3: Infrastructure in Africa: Impact on growth and poverty reduction

**Plenary session and open Discussion**

**Conclusions obtained at the workshops and how China's development strategies can be applied to Africa**

**Closing Ceremony**