

**Unclassified**

**DCD/DIR(2011)4**



Organisation de Coopération et de Développement Économiques  
Organisation for Economic Co-operation and Development

**08-Feb-2011**

**English - Or. English**

**DEVELOPMENT CO-OPERATION DIRECTORATE**

**DCD/DIR(2011)4**  
**Unclassified**

**THE CHINA-DAC STUDY GROUP EVENT ON THE ENABLING ENVIRONMENT FOR  
ENTERPRISE DEVELOPMENT - UPDATE ON PARTICIPANTS AND DRAFT AGENDA**

**Addis Ababa, 16 and 17 February 2011**

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**JT03296111**

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**English - Or. English**



**DIRECTOR**  
DEVELOPMENT CO-OPERATION DIRECTORATE

8 February 2011

Dear DAC Delegates,

**China-DAC Study Group Event in Addis Ababa, 16-17 February 2011**  
**“Enterprise Development and Economic Transformation: Creating the Enabling Environment”**  
**Participants and Draft Agenda: Update**

On 7 January 2011, 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 the Enabling Environment for Enterprise Development [see: DCD/DIR(2011)2]. This event will take place in Addis Ababa at the African Union Conference Centre (in the morning of 16 February 2011) and the Hilton Hotel (for the remainder of the programme). There will be an optional field visit on 18 February 2011.

I am pleased to advise that more than 90 participants have now 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:

- Highlight the significant role that enterprise development, trade and investment play in the creation of local, regional and global value chains and the dynamic impact on economic growth, employment and poverty reduction in China and African countries.
- Map out the course, strategies, achievements and challenges of China and African countries in creating enabling environments for enterprise development and explore the relevance and implications of the lessons from each.

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 Infrastructure (Beijing, 19-20 September 2010) - will be discussed at a policy symposium in Beijing planned for mid April 2011 and published in a report targeted at policy makers and the general public.

Yours sincerely,

A handwritten signature in black ink that reads 'Jon Lomøy'.

Jon Lomøy

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



## Draft

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

### **Enterprise Development and Economic Transformation: Creating the Enabling Environment**

Event organised by the **China-DAC Study Group**

Co-Chaired by  
**The International Poverty Reduction Centre in China (IPRCC) and OECD-DAC**

in association with the **Commission of the African Union** and  
the **United Nations Economic Commission for Africa**

**16-17 February 2011**  
**African Union Conference Centre and Hilton Hotel, Addis Ababa, Ethiopia**

## 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 DAC Members 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, the Study Group organised three events during 2009-2010 on 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 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. The third event on "Infrastructure" took place in Beijing, China in September 2010.

This fourth event will focus on the enabling environment for enterprise development. More specifically, the event will:

- Highlight the significant role that enterprise development, trade and investment play in the creation of local, regional and global value chains and the dynamic impact on economic growth, employment and poverty reduction in China and African countries.
- Map out the course, strategies, achievements and challenges of China and African countries in creating enabling environments for enterprise development and explore the relevance and implications of the lessons from each.

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

## Day 1

## Venue: African Union Conference Centre

7:30 – Bus from the Hilton Hotel to the African Union Conference Centre

## Opening Ceremony

08:30-10:00	Chair: Jon Lomøy, Director for Development Co-operation, OECD	
08:30-9:00	<b>Welcome Remarks</b> Jean Ping, Chairman, Commission of the African Union Gu Xiaojie, Chinese Ambassador to Ethiopia (invited) Michael Battle, US Ambassador to the African Union	
09:00-10:00	<b>Keynote speeches: Chinese and African perspectives on the environment for enterprise development : An Overview</b> 1. Enabling environment for enterprises development in China: key strategies and polices over last 30 years: Li Chunguang, Director General, Department of International Cooperation and Social Mobilization, The State Council Leading Group Office of Poverty Alleviation and Development 2. Creating enabling environment for enterprises development in Africa: key challenges in African region: Ato Mekonnen Manyazewal, Minister of Industry, Ethiopia (invited) Questions and answers	20 min 20 min 20 min

10:00 – Group photo

10:10 - 10:30 - Tea &amp; Coffee

## Session 1

**Creating wealth through transforming poor rural economies: public policies and private initiative in China and Africa**

China's steadily high economic growth has been largely due to rapid expansion of the enterprise economy, which made China the world's production plant. Rapid enterprise development, stimulated by schemes such as the Township and Village Enterprises (TVE) and the Special Economic Zones (SEZs) has attracted over 500 million people out of farming. This labour transformation made a great contribution to China's poverty reduction record. Favourable conditions created by an enabling environment both in terms of "hardware" (e.g. infrastructure) and "software" (e.g. policies and institutions) were the basis for all kinds of rural and urban enterprise development. It is therefore natural to ask how this was done. What kinds of actions and measures created this enabling environment for enterprise development over last 30 years?

Across the African continent, many countries have entered a positive growth stage over last 10 years. The acceleration of enterprise development, especially private enterprise has been a key strategy to promote growth and poverty reduction in Africa. After two lost decades, major improvements have been made in economic governance and conflict resolution in a range of countries, and progress is also being made on human development, and the Millennium Development Goals remain attainable if human capital investments and policies receive sustained effort. Continuing efforts are needed to keep up this progress and address remaining problem areas as a basis for Africa's catch-up process.

China is now a highly visible economic actor in Africa. Trade between the two regions is reaching USD 100 billion; accumulated investment by Chinese firms is well over USD 12 billion and China has offered attractive, and sometimes quite large, tied packages of loans to finance trade, investment and development. Major new targets were announced at the recent 4th FOCAC. China is engaged in many sectors and its influence on development in Africa is increasing. Africa clearly welcomes China as a new and important partner, especially when it comes to infrastructure and investments helping to build longer-term growth. Investments in trade capacity and China's opening of its market to goods and services from Africa are also very important.

Therefore, it is of particular interest to understand what the creation of an enabling environment involves in China and in Africa, how enabling policies accelerate private enterprise development and direct foreign investment and how capacities are created through this dynamic process.

Creating an enabling environment has been the core element of China's incremental development learning experiences. The enabling strategy and policies include those to develop Special Economic Zones (SEZs), and support for SMEs by micro finance and linking them with markets. In particular, Special Economic Zones played a key role as a testing ground for economic reforms, for attracting foreign direct investment, for catalysing industrial clusters, and for learning new technologies and incubating new management practices. In fact, SEZs were used to reduce resistance and opposition to critical reforms and build broad support for reforms through demonstration and controlled experimentation. Trade-led growth fuelled the development of many coastal areas, created more job opportunities. A recent World Bank study estimated that as of 2007, SEZs still accounted for about 22% of national GDP, about 46% of FDI, about 60% of exports, and generated in excess of 30 million jobs.

It is also of particular interest to understand a broader range of issues and experience related to the Chinese enabling environment for enterprise development: creating jobs through rural and micro enterprises; labour and wage policies; training and capacity building through joint ventures and aid programmes; local autonomy and decision making; competition between regions and cities; bureaucracy and regulation; access to financing; creation of appropriate technology and infrastructure. The discussions should not only highlight experiences, but also the lessons learnt from the rapid transformation process in China.

The event will cover all of the above under two key themes on succeeding days:

- What role did enterprise development play in China's economic transformation and what are the general lessons? What strategies and policies have made China successful in utilising direct foreign investment and encouraging transfers of technology and technical skills over the last 30 years, so that it could enter into the value chains of the global economy?
- What are the strategies emerging in Africa for enterprise development?

Based on the discussions under these two themes, what then are the key issues and lessons regarding: i) rural enterprise development, ii) Special Economic Zones and iii) foreign direct investment.

### Day One: The Strategic Role of Enterprise Development in the Transformation Process

10:30-10:35	Moderator: Fantu Cheru, Research Director, Nordic Africa Institute <b>Introduction on Session 1:</b> strategic role of enterprise development in the transformation process	5 min
10:35-11:35	<b>Keynote Presentations</b> Structure Transformation and Economic Development Speaker: Dr. Ma Xiaohu, Vice President of Development Research Academy of National Development and Reform Commission of P. R. China  Taking the African Growth Process Forward: Avoiding Policy Syndromes Speaker: Augustin Fosu (UN-WIDER)	20 min  20 min

	Discussants: Industrial Strategies and Enterprise Development: Views from East Asia Prof Izumi Ohno – National Graduate Institute for Policy Studies, Japan; and Advisor to the Government of Ethiopia African Business Models and Enterprise Development Philip Odera, Managing Director for Uganda, Standard Bank	10 min  10 min
11:35-12:30	<b>Open Discussion</b>	55 min

12:30 Bus from the African Union Conference Centre to the Hilton Hotel

13:00- 14:00: **Lunch**

14:00-16:00 **Parallel Workshops:** the strategic role of enterprise development in the transformation process in China and Africa

14:00-14:10	<b>Parallel Workshop (Plenary)</b> Introduction: Jennifer Adams, USAID, Beijing Objectives of the parallel workshops, and questions to be discussed	10 min
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14:15-16:00	<b>Workshop 1: Policies to encourage entrepreneurship, support rural enterprises, Micro-SMEs and create job opportunities</b> Moderator: Josue Dione, UNECA Rapporteur: Michael Laird, Senior Policy Analyst, OECD	
14:15-14:45	<b>Presentations</b> 1. Experiences of Developing rural enterprises in China: the role of government Speaker: Prof. Li Xiaoyun, Dean, College of Humanities and Development Studies, China Agricultural University 2. Speaker: Victoria Kisyombe, Sero Lease and Finance Limited, Tanzania 3. China's Policies of Supporting Outwards Investment : Speaker: Xue Hong, CAITEC, MOFCOM	10 min 10 min 10 min
14:45-16:00	<b>Open Discussion</b>	75 min

14:15-16:00	<b>Workshop 2: Enabling Environment for Special Economic Zones and clusters in China and Africa</b> Moderator: Douglas Zhihua Zeng, Senior Economist, AFTFP, World Bank Rapporteur: Deborah Brautigam, American University	
14:15-14:45	<b>Presentation</b> 1. China-Africa Development Fund's Strategy and Approach in supporting Economic Cooperation Zones, Speaker: Li Pengfei, Deputy General Manager, East Africa Dept, CAD Fund 2. Experiences of Special Economic Zones and Cluster Development in China: the case of Shenzhen: Speaker: Yuan Yimin, Deputy Director, SEZ Center, Shenzhen University 3. Special Economic Zones in Africa:	10 min 10 min

	Speaker: Mr. Seewraj Nundlall, Director of Manufacturing Cluster, Mauritius Board of Investment (BOI), Mauritius	10 min
14:45-16:00	<b>Open Discussion</b>	75 min
14:15-16:00	<b>Workshop 3: Transformative FDI and portfolio investment in China and in Africa</b> Moderator: He Wenping, Institute of West Asian and African Studies, Chinese Academy of Social Sciences Rapporteur: Michael Stirnweiss, BMZ/GIZ	
14:15-14:45	<b>Presentations</b> 1. China's FDI and its Relevance to Africa Speaker: Lv Bo, Chinese Academy of International Trade and Economic Cooperation (CAITEC), Ministry of Commerce, P.R. China 2. China's investment in Africa: key challenges Speaker: Wu Fang, China-Africa Center, CAITEC, MOFCOM 3. Emerging patterns of Sino-African trade and potentials for enterprise development in Africa Speaker: Jean-Claude Maswana, JICA Research Institute	10 min 10 min 10 min
14:45-16:00	<b>Open Discussion</b>	75 min

## 16:00 – 16:20 Tea &amp; Coffee

16:20 – 17:30	<b>Plenary Session</b> Moderator: Fantu Cheru, Research Director, Nordic Africa Institute	
16:20 – 16:50	<b>Report from each parallel workshop</b> <b>Workshop 1</b> Rapporteur: Michael Laird, OECD <b>Workshop 2:</b> Rapporteur: Deborah Brautigam, American University <b>Workshop 3:</b> Rapporteur: Michael Stirnweiss, BMZ/GIZ	10 min 10 min 10 min
16:50 – 17:30	<b>Open Discussion</b>	40 min



17:30-19:00	<p><b>Business Roundtable</b></p> <p><i>Why does your company want to do business in Africa? What are the biggest constraints you face? If you could change one policy in your operating environment, what would you change?</i></p> <p><b>Moderator: Richard Carey, Co-Chair, China-DAC Study Group</b></p> <ol style="list-style-type: none"> <li>1. Mr. Martin Kasekende – Chairman, Federation of Uganda Employers</li> <li>2. Mr. He Leihui – Founder and Chairman of Touchroad International Holding Group</li> <li>3. Mr. Dai Zhikang - Zen Dai Group</li> <li>4. Yara – to be confirmed</li> <li>5. Mr. Ermyas Amelga, CEO, Access Capital/Access Real Estate/Zemen Bank</li> <li>6. Mrs. Meaza Ashenafi, Enat Bank</li> </ol>	
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19:00 – 20:30 **Reception and Dinner hosted by** the Norwegian Embassy and USAID

## Session 2 - Day 2

### Shaping basic capacity for enterprise development: human resources, institutions and regulations in China and Africa

Enterprise development has been a major avenue for China to promote the capacities of its human resources and institutions, via learning-by-doing processes and pragmatic adaptation. Rural enterprise development, SEZs and clusters and, finally, opening up to FDI have all contributed to the creation of capacities that did not exist at the outset of the reform and growth process at the end of the 1970s. The capacity building has included human development, institutional capacity development and as well, technology innovation. Rural enterprise development programmes, such as the “Spark Program”, greatly encouraged rural enterprises which developed into a competent sector. The institutional capacity for managing SEZs and clusters accumulated over time

There is now a great opportunity for China to share its experiences and lessons in this capacity creation with Africa. It is also important to share how China’s engagement in Africa can accelerate local value creation, transfer of technology, capacity building and sustainable development in Africa as its investment role in Africa increases.

#### Day Two of the program shall facilitate discussion on:

- What are the key experiences and lessons from China for developing a strong human and institutional capacity to promote enterprise development? What can Africa learn from the process?
- How can the expanding numbers of young people entering the labour force in Africa be appropriately skilled to match the needs of an expanding enterprise based-economy in both rural and urban areas?
- What technological catch-up processes and knowledge platforms are emerging in Africa and how can development assistance providers help?
- How to enhance the understanding of both domestic and foreign enterprises in Africa on the importance of corporate social responsibility, supporting labour and environmental standards and anti-corruption efforts. How can the image of Chinese firms be improved in these areas?
- How can Africa make the most of new green growth opportunities? How can development assistance help?

#### Day 2: Developing Basic Capacities: People, Institutions and Regulations

09:00-09:10	Moderator: Fantu Cheru, Research Director, Nordic Africa Institute <b>Reflection on Day 1 and Objectives for Day 2</b>	10 min
9:10 – 10:10	<b>Keynote Presentations</b>	
	1. Effective measures to build capacity for enterprise development: the Chinese Experience Speaker: Chen Xiaohong, Director, Enterprise Research Institute, Development Research Center of the State Council	15 min
	2. Major constraints and opportunities in Africa to develop a strong capacity for enterprise development Speaker: Rene N’Guettia Kouassi, Director, Office of Economic Affairs, African Union Commission	15 min
	3. Chinese Enterprises in African Development: Business Models and Development Impact Speaker: Jing Gu, Research Fellow Institute for Development Studies	15 min
	4. OECD Enterprises in African Development Speaker: To be confirmed	15 min

10:10-10:30      **Tea and Coffee**

10:30-11:00	<b>Discussions</b> Commentators: <ul style="list-style-type: none"> <li>• Sunil Sinha, Managing Director, Nathan EME</li> <li>• Feedback from the GDLN consultation, Edward Brown, Director, ACET</li> </ul>	10 min 10 min
11:00-12:00	<b>Open Discussion</b>	70 min

12:00 - 13:30: **Lunch**

13:30 - 15:30 **Parallel Workshops:**

13:30- 13:40	<b>Parallel Workshops (Plenary)</b> Developing Basic Capacities: People, Institutions and Regulations Introduction: Li Anshan, Institute of Afro-Asian Studies, Peking University	10 min
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13:45-15:30	<b>Workshop 1: Human resources development for enterprises development, and Technology Transfer</b> Moderator: Emmanuel Nnadozie, UNECA Rapporteur: Mao Xiaojing, CAITEC, MOFCOM (to be confirmed)	
13:45-14:25	<b>Presentations</b> <ol style="list-style-type: none"> <li>1. Training for rural labour transfer in China Speaker: Xu Hui, Director General, International Poverty Reduction Center in China (IPRCC)</li> <li>2. China's "Attracting Intellectual resources from abroad program" Speaker: Yu Xin, Assistant Research Fellow, Chinese Academy of Personnel Science</li> <li>3. Challenges of Africa human resources development Speaker: Dr. William Lyakurwa, African Economic Research Consortium</li> <li>4. Technology transfer and knowledge platforms in Africa Speaker: Aida Opoku-Mensah, Director of ICT, Science and Technology Division, UN Economic Commission for Africa</li> </ol>	10 min 10 min 10 min 10 min
14:25-15:30	<b>Open Discussion</b>	65 min

13:45-15:30	<b>Workshop 2: Sustainable corporate practices (Labour relations, social dialogue and CSR)</b> Moderator: Tori Tveit, Confederation of Norwegian Enterprise Rapporteur: Okey Onyejekwe, Center for Sustainable Governance (to be confirmed),	
13:45-14:25	<b>Presentations</b> <ol style="list-style-type: none"> <li>1. Labour Force Transitions and Issues in African Development Speaker: To be confirmed</li> <li>2. Improving working conditions in supply chains – Lessons and experience Speaker: Wei Dong Zhou, Director, China, Business for Social Responsibility</li> <li>3. Sustainable Corporate Practices of Chinese companies in Africa – policy and experience</li> </ol>	10 min 10 min 10 min

	Speaker: Yu Wu, Deputy Director General, China Enterprises Confederation 4. Social dialogues in Uganda Speaker: Martin Kasekende, Chairman, Federation of Uganda Employers	10 min
14:25-15:30	<b>Open Discussion</b>	55 min

13:45-15:30	<b>Workshop 3: Environmental Policies and Regulations</b> Moderator: Roger Cornforth, DAC Delegate for New Zealand and DAC Vice-Chair Rapporteur: Peter Craig-McQuaide, European Commission	
13:45-14:15	<b>Presentations</b> 1. Environmental consequences and regulations in China's enterprise development Speaker: Liu Mingquan, Director, Center for Human and Economic Development Studies, Peking University	10 min
	2. Environmental issues of China's involvement in Africa Speaker: Mr. Josué Dioné, Director of Food Security and Sustainable Development Division (FSSDD)	10 min
	3. Green Growth: Challenges and opportunities for African enterprise development Speaker: To be confirmed	10 min
14:15-15:30	<b>Open Discussion</b>	75 min

15:30 – 15:50: **Tea & Coffee**

15:50-17:15	<b>Workshop Summary (Plenary)</b>	
15:50-16:20	<b>Report from each parallel workshop</b> <b>Workshop 1</b> Rapporteur: Mao Xiaojing, CAITEC	10 min
	<b>Workshop 2</b> Rapporteur: Okey Onyejekwe, Center for Sustainable Governance	10 min
	<b>Workshop 3</b> Rapporteur: Peter Craig-McQuaide, European Commission	10 min
16:20-17:00	<b>Open discussion</b>	40 min

17:00 – 18:30	<b>Closing Ceremony</b> Moderator Fantu Cheru	
17:00 - 17:30	<b>Summary of the Event:</b> Richard Carey, Co-Chair, China-DAC Study Group Li Xiaoyun, Director, China-DAC Study Group <b>Closing Remarks:</b> Xu Hui, Director General, IPRCC	

	Commissioner Maxwell Mkwezalamba, African Union Commission Ato Newai Gebreab, Chief Economic Adviser to the Prime Minister of Ethiopia (invited) Jon Lomøy, Director for Development Co-operation, OECD	
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**Day 3 (Feb 18)****Field visit**