

## **CONCEPT NOTE**

### **INVESTING IN AFRICA FORUM**

#### ***Partnering to Accelerate Investment, Industrialization, and Results in Africa***

June 30 – July 1, 2015

**Addis Ababa, Ethiopia**

#### **Background**

1. China is currently the largest single bilateral investor in Africa as well as Africa's largest trading partner. Recent visits by Chinese leaders to Africa have re-confirmed Chinese commitment to the continent and signaled a pragmatic approach to cooperation, grounded in the priorities at the national and regional levels. China is keen to pursue balanced and accelerated investment in African countries, and new investment partnerships with investors from both OECD countries and other emerging sources of finance, including Africa itself.
2. The Government of the People's Republic of China, the World Bank Group (WBG), the Government of the Federal Democratic Republic of Ethiopia (GoE), and United Nations Industrial Development Organization (UNIDO) believe that increased investment and industrialization would help to unlock the potential for sustainable and inclusive growth, job creation and poverty reduction in African countries. They therefore agreed to have the China Development Bank (CDB), WBG, GoE, the China-Africa Development Fund (CAD-Fund) and UNIDO to organize a Forum to promote engaged and informed dialogue among stakeholders—policy makers, development partners, foreign and local private investors—on how investment could be encouraged and industrialization accelerated.

#### **Objective and Theme**

3. The objective of the Forum is to promote accelerated and responsible investment and investment partnerships in African countries, from China and elsewhere, particularly for the light manufacturing sector. As much recent literature has recorded, there can be substantial advantages from developing certain kinds of light manufacturing activities in African countries, given the availability of local resources and relatively low labor costs, as well as the rapidly rising wages and land costs in the current hub of light manufacturing industry in East Asia. However, neither the current scale of such manufacturing, nor the rate at which it is increasing, meet expectations, and recurrent implementation problems have emerged.
4. In this context, the conference will consider the role of business climate, trade logistics and regional initiatives in Africa, and seek to identify a forward time-bound action agenda. Existing and potential modes of collaboration between China, African countries, development partners, and the private sector will be considered.

## **Structure and Participation**

5. The Forum will be held in Addis Ababa from June 30 to July 1, 2015, at the Sheraton (*to be confirmed*) Hotel. The total number of participants is expected to be around 150.
6. It will be structured around sessions covering: (i) accelerating industrialization and manufacturing; (ii) making special economic zones (SEZs) and industrial parks work; (iii) infrastructure and trade logistics, including regional integration; (iv) creating the conditions to accelerate development-oriented private sector investment, (v) skills development for competitiveness and job creation, and (vi) improving agricultural productivity and expanding agribusiness opportunities. An important aspect of each session will be to have the benefit of Chinese experience on the topic as they relate to specific national and subnational settings in Africa. The WBG will bring the perspective of its analytical work and ongoing programs.
7. Priority invitees include representatives of African countries that are export-oriented, have or are going to build industrial zones or taking credible steps toward industrialization, and those receiving substantial Chinese investments or in which investment discussions are ongoing. In addition, a select number of African think tanks and regional organizations, International Fund for Agricultural Development (IFAD), and development partners are invited.
8. A Vice Minister of the Ministry of Finance (MoF), and a Vice President of China Development Bank (CDB), are expected to lead the Chinese delegation, which will include senior officials from MoF, Ministry of Commerce, Ministry of Foreign Affairs, senior executives from China Development Bank, Chinese senior diplomats in Ethiopia and senior representatives of 30 to 40 public and private companies operating or ready to invest in Africa.

## **INVESTING IN AFRICA FORUM AGENDA**

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The Forum will be interactive and facilitate discussion. Each session will have a chairperson, moderator and 3-4 panelists. Panelists will address specific issues posed by the moderator rather than make formal statements. Each session should share experiences and lessons learned, highlight good practices, and elicit suggestions for steps to be taken following the forum to promote expanded partnership, and support accelerated investment, industrialization and time-bound results in African countries.

#### **June 30, 2015**

09:00 - 09:45      Opening Session: Welcoming remarks, Government of Ethiopia; Ministry of Foreign Affairs, China; Vice Minister of Finance, China; World Bank Vice President for Africa; Director-General of UNIDO; China Development Bank; and African Union Commission

09:45 - 10:00      Break

10:00 - 12:00      *Session 1: Accelerating Industrialization and Manufacturing*

*Focus of session:* How industrialization and manufacturing can be accelerated in African countries, based on experience to date. What type of manufacturing provides an entry point.

*Key questions the session could address include:* What lessons have African countries learned from their experience so far in terms of actions governments need to take? What did they do that had the most impact? How has Government of China engaged with African governments and Chinese investors to encourage the process? What was the major problem faced by the private sector in engaging in industrialization and manufacturing in African countries and how was it overcome?

*Discussion:* Participants will be asked to share their experiences.

12:00 - 14:00      Lunch, with address by lunchtime speaker

14:00 - 16:00      *Session 2: Making Special Economic Zones (SEZs) and Industrial Parks work*

*Focus of session:* Experience of SEZs and industrial parks. What has worked and what has not.

*Key questions the session could address include:* What has been the experience of SEZs and industrial parks in African countries? How has this differed from the Chinese experience? What are the minimum conditions for success?

*Discussion:* Participants will be asked to share their experiences.

16:00 - 16:15

Break

16:15 - 18:15

*Session 3: Improving Infrastructure and Trade Logistics*

*Focus of session:* Identifying and overcoming infrastructure and logistical impediments to manufacturing.

*Key questions the session could address include:* What are the key infrastructure and policy constraints to efficient manufacturing and job creation? What are good practice examples of how these constraints have been overcome? How can necessary infrastructure be financed? How can China, African governments and other partners and the private sector work together to find and implement additional solutions quickly?

*Discussion:* Participants will be asked to share their experiences.

19:00 - 20:30

Welcoming Dinner Hosted by China Development Bank

**July 1, 2015**

09:00 - 11:00

*Session 4: Creating the Conditions to Accelerate Private Sector Investment*

*Focus of session:* What constitutes an enabling policy environment and development-oriented investment, and how do they reinforce each other.

*Key questions the session could address include:* From the Chinese investor and foreign private sector perspective, what are two or three key things that make a country attractive for investment? From the African perspective, what maximizes the development impact of investment by Chinese and other international companies? What lessons can be learned from the experience of other countries? What do governments and companies need to do to ensure that reforms and policies are actually implemented?

*Discussion:* Participants will be asked to share their experiences.

11:00 - 11:15

Break

11:15 - 13:15

*Session 5: Skills Development for Improved Competitiveness and Job Creation*

*Focus of session:* How can investment by China help improve skills in African countries and what are the long term benefits.

*Key questions the session could address include:* From the perspective of African and Chinese private sector representatives, what is the major constraint in terms of local skills they have faced, and how have they overcome it? What did skills development cost them and how long did it take? What would the private sector like to see Chinese and African governments do in order to improve local skills, and what actions would governments like the private sector to take? Are there examples of successful government and private sector partnerships in terms of developing skills?

*Discussion:* Participants will be asked to share their experiences.

13:15 - 14:30

Lunch

14:30 - 16:30

*Session 6:* Improving Agricultural Productivity and Expanding Agribusiness Opportunities

*Focus of session:* How can agricultural productivity be improved and opportunities for agribusiness expanded to enhance food security, generate employment and export opportunities, and increase rural incomes.

*Key questions the session could address include:* What key policy and technical issues need to be addressed to enable small scale producers and traders benefit from the growing demand for food on the continent? How to promote uptake of new technologies on the ground? What lessons can be learned from China's experience?

*Discussion:* Participants will be asked to share their experiences.

16:30 - 17:00

Closing Session

17:30 – 19:00

Reception hosted by the Government of Ethiopia