

Concept Note for the International Conference on *China and Africa: Jointly Promoting Sustainable Development*

1. Background

During the Beijing Summit of Forum on China-Africa Cooperation in 2018 (hereinafter referred to as FOCAC), Chinese President Xi Jinping announced that China decided to establish the China-Africa Institute to enhance exchanges with Africa on civilization. China-Africa Institute (hereinafter referred to as CAI) aims to deepen exchanges between two civilizations and promote closer collaboration and communication on experiences in key governance and development between China and African countries, and to provide intellectual support for the Belt and Road Initiative. The CAI is sponsored by the Chinese Academy of Social Sciences (CASS).

On April 9, 2019, the Inauguration Conference of the CAI was held in Beijing. H.E. President Xi Jinping sent a congratulatory letter to the Inauguration Conference. H. E. Mr. Yang Jiechi, member of the Political Bureau of the Communist Party of China (CPC) Central Committee, also Director of the Office of the Foreign Affairs Commission of the CPC Central Committee, officially opened the CAI. President of the Republic of Senegal sent a congratulatory letter to the conference. Ambassadors and representatives from African embassies in China attended the conference.

Agenda 2063 which is the 50 year development blueprint of the African Union, outlines Africa's Aspirations for the future but also identifies key flagship programmes, such as the establishment of the African Union Financial Institutions (AUFIs) and subsequent creation of an African currency, the African Economic Platform, the African Continental Free Trade Area (AfCFTA), among others. These programmes are intended to contribute to boosting Africa's economic growth and development, and lead to the rapid transformation of the continent. Agenda 2063 of the AU and the 2030 Agenda for Sustainable Development adopted by the UN, provides a shared blueprint for peace and prosperity for all across the African continent. Central to the UN SDGs is an urgent call for action by all countries, developed and developing to work closely together towards a global partnership. More specifically, there is a recognition that efforts geared towards ending absolute poverty in developing countries, should go hand in hand with devising policies and strategies to improve health, education, reduce inequality, and spur economic growth, while also protecting the environment and mitigating against climate change.

The 2030 Agenda for sustainable development, which is a programmatic document guiding international cooperation on development in both developed and developing countries, is in line with the new Africa-China development cooperation and AU Agenda 2063.

2. Topics for Discussion

Structural Transformation to achieve Agenda 2063

In line with the vision for ‘*the Africa we want*,’ Agenda 2063 has set out a number of goals and aspirations in line with the need for a structural transformation of the continent in order to meet the development goals for future generations. The two sides envisage to share best practices to address challenges, opportunities and the way forward to strengthen cooperation between Africa and China.

The forum will provide a platform to engage and hold discussions on the opportunities and strategies needed to create synergies between the two counterparts, in line with the goals of creating more job opportunities, improve infrastructure conditions, offer greater economic opportunities and social progress to Africans, address the need for people centered development, gender equality and youth empowerment, attract investment opportunities in areas such as agri-business, infrastructure development, health and education, as well as the value addition in African commodities. As a result, discussion topics will include:

- *Structural Economic Transformation, through Industrial Development*

Structural transformation is the defining characteristic of the development process for emerging economies. It is both the cause and effect of economic growth and overall development for growing economies, specifically, African countries. Successful economic transformation is typically associated with a migration of labor out of the agriculture based sector into the industrialized sector, leading to higher economy-wide productivity levels and progressively raising incomes in the former sector toward the level of incomes in the latter. This is not, however, what has been observed in African countries during most of the first five decades of their independence. Africa in general lags behind in industrial development, and its exports are dominated by unfinished or semi-processed products. It is therefore, imperative for countries in the sub-region to address these challenges by pursuing a strategy that emphasizes diversification of products, as part of an agenda for transformation. This will serve as a basis for sustainable industrial growth in the medium- to long-term.

- *Education and Employment*

Africa as a continent, has the youngest population which if tapped can bring about enormous demographic dividend. In this regard, promoting education and capacity building, through future work skills development of the youth is key to realizing sustainable development in Africa. China, which is the most populous country in the world, has achieved a lot in building a high quality, skilled workforce, which African countries can learn from. This sub-forum will focus, among others, on promoting closer cooperation in areas of common interest to both Africa and China, such as adopting

advanced approach to learning, with critical skills being the essential factor, skilling, innovation and employment creation.

- *African Continental Free Trade Area*

Promotion of industrial development and free trade, notably through the construction of Free Trade Zones, in line with AU Agenda 2063 flagship African Continental Free trade Area programme, which was officially launched by the AU in July 2019 and is set to be operational from July 2020, is of great relevance to the Africa-China Cooperation. This session will focus discussions on Africa-China development cooperation in areas of trade promotion, including the African Continental Free Trade Area (AfCFTA).

- *Ecological Environment (blue & green economy)*

Although Africa is well endowed with abundant natural resources, it also faces disproportionately the effects of climate change. Both Africa and China attach great importance to the promotion of policies and strategies geared at ecological or environmental protection. The sub-forum will, among others, focus on the sharing of best practices and promoting mutual cooperation on key areas such as clean energy, building resilient cities and urban areas, as well as climate risk response mitigation.

- *Natural Resource Management*

AU's vision is to have a continent that is capacitated to manage natural resources wealth, in a manner that improves the lives of the African people. As such, its mission is to advise member states on carefully selecting aspects of natural resources management policy formulation and implementation, in order to enable them extract greater social and economic value from their development. In line with the goal, the long-term objective is to enhance member states' capacity to improve development outcomes from the sustainable use of renewable and non-renewable resources. This will be achieved through interventions that increase the effectiveness of public and private sector institutional frameworks, with focus on upstream governance through knowledge, public participation, environmental protection, resource planning, value extraction and sound negotiations strategies. Discussions will center on avenues for both parties to offer strategic guidance on investments, negotiations and delivering targeted technical assistance on regulatory matters.

- *Urbanization*

Since the founding of the People's Republic of China 70 years ago, China has achieved remarkable progress in industrial development, and managing related challenges associated with urbanization. Today, Africa faces serious challenges of rural-urban migration. Evidence available indicates that the current pace of urbanization in Africa will press extreme economic, social, political and environmental challenges, which requires urgent action by African governments. However, urbanization if managed well, comes with enormous economic opportunities to the continent. The sub-forum will

focus on various topics including: sustainable urban development and infrastructural development.

- *Debt Management*

Africa has major development aspirations in the broader context of a global and continental economic development agenda. This calls for substantial financial resources at a time when the global development finance landscape is changing, from a model centred on official development assistance and the coverage of remaining financing needs through external debt, to a framework with greater emphasis on the mobilization of domestic resources. The Economic Development in Africa Report (2016), examines some of the key policy issues that underlie Africa's domestic and external debt, and provides policy guidance on the delicate balance required between financing development alternatives and overall debt sustainability. It further looks at Africa's international debt exposure and how domestic debt is increasingly playing a role in some African countries as a development finance option, as well as examines complementary financing options and how they relate to debt. For this reason, emphasis will be placed on effective domestic resource mobilization, as the flagship instrument for debt management in Africa.

- *Construction of the Road-Belt Initiative*

The Belt and Road Initiative which is expected to connect China to 152 countries including a number of African countries is expected to enable greater infrastructure development and investments. Yet, the specifics of this initiative and its impact on African economies needs to be better understood by all actors involved and aligned and adapted to the development goals of the continent. This session will focus on sharing views from African and Chinese counterparts on the importance of this initiative and its relevance in the scope of the sustainable development.

Expected Outcomes

The following specific outcomes are expected:

- Opportunities for diversification of economies, improved industrial manufacturing mechanisms, greater intra-African and international trade of African and Chinese goods are recognized;
- Promoting continent-wide leadership for awareness and consensus on eco-environmental challenges are achieved;
- Promoting economic transformation of the African economy is advocated;
- Training and capacity building opportunities for African youth, greater access to employment, promotion of entrepreneurship amongst youth, encouraging training of Women in STEM are identified and agreed;
- Exploring trade opportunities for Africa and China as an engine of growth and sustainable development, in line with Agenda 2063 is attained; and

- Greater understanding of what's at stake, as well as what the Belt and Road initiative entails, sharing of thoughts on the initiative, and opportunities for the ways forward are understood and adopted.

Participants

The conference will be attended by representatives of relevant Government officials and research institutions from Africa and China to share experience of the various sub-topics and discuss opportunities to address challenges.

Date and Venue

The Opening Ceremony of the Conference will be held at Nelson Mandela Hall of the African Union Headquarters on December 6th. Parallel sessions from the 6th and 7th will be held at Hilton Hotel. Transportation will be provided from the AUC to Hilton Hotel.

Working Language

The conference will be conducted in English, French and Chinese (Mandarin) and interpretation will be provided.

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