



The 2007 ADB Annual Meetings

Ministerial Round Table Discussions and High Level Seminars

Shanghai International Convention Center,
Oriental Riverside Hotel

Shanghai, China – 15 May 2007

Program

Plenary Session - Ministerial Round Table Discussions

The Ministerial Round Table Discussions is the key event of the Annual Meetings Seminars, taking place a day before the formal opening of the Bank Group Annual Meetings. It consists of a plenary session to be inaugurated by two Heads of State - H. E. Mr. Pedro Pires, Head of State, Cape Verde, and H.E. Mr. Marc Ravalomanana, Head of State, Madagascar, and attended by a wide audience including high level dignitaries from Africa and other regions of the world, development experts from multilateral, bilateral, non governmental organizations, civil societies, private sector and the academics. An estimated 400 to 500 participants are expected to attend this plenary session.

THEME: AFRICA AND ASIA: PARTNERS IN DEVELOPMENT

Venue: *Auditorium*

Time: *9:00 a.m. – 12:30 p.m.*

Summary

The theme of the plenary session for this year will be “Africa and Asia: Partners in Development”. This theme was selected because of the role Asia in general and China and India in particular are playing in the global economy and their renewed interest in Africa. Hosting of the Bank’s Annual Meetings in Shanghai provides a unique opportunity to reflect further on the relationship between Asia and Africa.

Africa and Asia have a long standing partnership in areas which span not only trade and investment but also migration and cultural exchange. Since the birth of modern Africa, Asia has been a provider of development assistance to the newly independent countries in the areas of infrastructure, agriculture, education and health among others. More recently, the bonds between the two continents have increased, thanks to the strong economic growth of China and India. Asia’s high economic growth rate has contributed to fuelling the heightened demand for Africa’s natural resources, especially oil. At the same time, Asia has increased its foreign direct investment into Africa, mainly in mineral and oil rich countries. Asia’s emergence as an economic giant comes with opportunities, challenges and key lessons for Africa.

The assessment of Asia’s involvement with Africa has revealed both opportunities and challenges that need to be carefully documented, dialogued and taken on board as part of the operational modalities of the partnership. The Ministerial Round Table will not only discuss these issues as past experiences, but will also assess them as opportunities and challenges in terms of their implications for the continued investment of Asia in Africa. Some of these implications are analyzed in greater detail in the concept notes introducing side-event seminars. In doing so, we have developed guiding questions that will help to focus the discussion:

- *Can Africa use its partnership to transform itself from a supplier of raw materials to Asia to a producer of value added products capable of stimulating significant economic growth?*
- *How can Asian countries best assist Africa in adapting and adopting the strategies that propelled their economic prosperity?*
- *What are the implications of Africa's increased access to non-concessional loans from Asia, and what is the risk of future debt distress and sustainability problems?*
- *How can Asia's increased investment in Africa be structured so as to maximize benefits with regard to: human capital development for Africa, technology development and the transfer of skills and technology to Africa?*
- *How can more jobs be created in Africa as a result of this partnership? How can this partnership help Africa to attain sustainability of growth through product diversification, value addition and more trade?*
- *How can Asia be made to have more concerns with regard to choice of country for investment, social safeguards and environmental concerns especially in the search for raw materials?*
- *This plenary session will be an opportunity for high level decision makers to reflect on the broad implications of the renewed Asia-Africa partnership with a view to taking full advantage of a growing relationship whose impact on the African economies may have long lasting effects.*

This plenary session is made up of the following members:

Chairpersons:

- **Mr. Donald Kaberuka**, President, African Development Bank Group
- **Mr. Abdoulie Jannah**, Executive Secretary, UN-ECA, Ethiopia

Keynote Speakers:

- **H. E. Mr. Pedro Pires**, Head of State, Cape Verde
- **H. E. Mr. Marc Ravalomanana**, Head of State, Madagascar

Speakers:

- **H. E. Mr. Paul Toungui**, Minister of State, Minister of Economy, Finance, Budget and Privatization, Gabon
- **H. E. Mr. Amos Kimunya**, Minister of Finance, Kenya
- **H. E. Mr. Zhou Xiaochuan**, Governor of the People's Bank of China

THE HIGH LEVEL BREAK AWAY SEMINARS

The plenary session will be followed by four High Level Seminars conducted in parallel and, whose themes will be articulated around the broad theme of the Ministerial Round Table to allow for more in-depth discussions on specific topics related to the partnership between Africa and Asia.

High Level Seminar No. 1

THEME: AFRICA AND ASIA – TRADE AND CAPITAL FLOWS

Venue: Auditorium

Time: 2:30 p.m. – 5:00 p.m.

Summary

The recent strengthening of relations between Africa and Asia, particularly China and India, has emerged with opportunities as well as challenges for Africa, especially in the area of trade and capital flows. With regard to the opportunities, it is likely that Africa's economic performance would be influenced positively by growth in Asia's demand for Africa's exports, both oil and non-oil commodities, and from increased Asian investment in the continent. Also, there is a potential for Asia to help Africa diversify production, exports and markets required to accelerate the integration of the continent in the global economy. Africa-Asia trade and investment relations may also provide African countries easy access to technology and know how. Furthermore, some of the development challenges facing Africa could be eased through Asia's potential for scaling up development assistance and 'aid-for-trade' to countries in the region.

These potential opportunities however, are not without challenges. First, Asia's increased demand for energy, which is a driving force behind the world's oil price increase, generates adverse effects on the economies of many oil importing countries in Africa. Thus, the net gains for African commodity exporters may be largely offset by the increased costs for Africa's imports of these commodities. Second, although Asia's share of African exports has risen dramatically in recent years, it is mostly composed of primary commodities, which means that, contrary to expectations, such increased trade has done little to diversify Africa's production and exports. Third, concerns have been raised about increased import penetration from Asia into Africa – in spite of the benefits from importing cheap manufactured products from Asia, many countries may suffer displacement of infant industries by more competitive Asian producers. Fourth, Asia's policies on trade and capital flows may undermine governance reforms and erode the fiscal space created by the recent debt relief initiatives. In this regard, one would be tempted to ask the following critical questions that seek to shed more light on the issue:

- *What are the motivating factors behind Asia's increased engagement in Africa? What is the nature and composition of Asia's trade with Africa?*
- *Which countries and sectors are the main beneficiaries of Asia's investment in Africa?*
- *How could Asia's trade and investment relations with Africa help countries in the region to accelerate growth and reduce poverty?*
- *What are the potential risks associated with Africa-Asia economic relations?*
- *What can the African Development Bank do to assist African countries mitigate the potential adverse effects of Asia's trade and investment policies?*

The main objective of the seminar is to shed more light on the opportunities and challenges of Africa-Asia trade and capital flows. It will raise the question on how to find a critical balance between the opportunities and challenges. The discussion is expected to produce key outcomes that would require further steps to help Africa take full advantage of opportunities associated with the emergence of Asia in the global economy.

The seminar will further examine the implications of the Asia-Africa trade pattern for Africa's development. It will also examine the form of preferential trading arrangement that would assist Africa to move up the value chain in the composition of its exports. In addition, the seminar will discuss the likely consequences for Africa of FDI from and into Asia and the measures that will enhance capital flows from Asia to Africa.

The panel members for this seminar are as follows:

Chair: Hon. Trevor Manuel, Minister of Finance, South Africa

Speakers:

- **H. E. Mr. Abdoulaye Diop**, Minister of State, Minister of Economy and Finance, Senegal
- **H. E. Mr. Rama Krishna Sithanen**, Deputy Prime Minister & Minister for Finance, Economic Planning & Development, Mauritius
- **Mr. Peter Anyang Nyongo**, Former Minister of Planning and National Development, Kenya
- **Mr. Li Ruogu**, Chairman, China Exim Bank
- **Mr. Henry Flint**, African Strategist: Global Markets Research, Standard Bank, South Africa

High Level Seminar No. 2

THEME: AFRICA AND ASIA: ENTREPRENEURSHIP AND PRIVATE SECTOR DEVELOPMENT IN AFRICA

Venue: *Yellow River Hall*

Time: *2:30 p.m. – 5:00 p.m.*

Summary

A vibrant private sector is vital for sustained economic growth, job creation and income generation. While Africa has made significant progress over past decades towards facilitating private sector growth, continued efforts are needed to maintain and to accelerate the development momentum. Economic liberalization and focus on policy formulation and capacity building for the promotion of entrepreneurship and the Small and Medium Enterprises (SME) sector is crucial for the expansion of the private sector.

Though private sector activity is unevenly spread across the African continent, entrepreneurial activity is growing rapidly and new markets that offer comparative advantages are being explored and tested. This development has in more recent years resulted in growing south-south business collaboration between a number of Asian countries, spearheaded by India and the Peoples Republic of China (PRC), and Africa.

The recent surge in business collaboration, trade and Foreign Direct Investment (FDI) between Asia and Africa is a concrete sign that this is already happening in several African countries. It is now essential to build on the successes towards deepening and expanding this collaboration based on principles that ensure mutual and equitable distribution of benefits. Determined efforts were initiated towards redefining the role of the state in the economic development process and taking measures towards improving the enabling environment for a market driven and private sector led growth. These efforts have started to yield encouraging progress.

The seminar aims at strengthening this collaboration between Asia and Africa towards expansion and diversification of trade and investment and to highlight the lessons from the Asian experiences concerning enabling environment reforms. The seminar will also share experiences of business successes and investigate the mechanisms by which governments can create an enabling environment to allow entrepreneurship to develop.

Chair: H.E. Mr. Abah Abah Polycarpe, Minister of Economy and Finance, Cameroon

Speakers:

- **Mr. Paulo Gomes**, Managing Partner, Constelor Group, LLC, USA
- **Mr. Moeletsi Mbeki**, Deputy Chairman, The South African Institute of International Affairs (SAIIA)
- **Mr. Ken Kwaku**, Special Adviser to Former President Benjamin Mkapa, Tanzania
- **Mr. Mande Sidibe**, Chairman of the Executive Board, ECOBANK, Mali
- **Ms. Khan Razia**, Regional Head of Research, Africa, Standard Chartered Bank, United Kingdom

High Level Seminar No. 3

THEME: HUMAN CAPITAL AND TECHNOLOGY FOR DEVELOPMENT – LESSONS FROM ASIA

Venue: Yangtze River Hall

Time: 2:30 p.m. – 5:00 p.m.

Summary

Human capital, science and technology are essential drivers of growth, sustainable development and poverty reduction. Investment in these areas assists countries to transform their economies from ones based on subsistence agriculture, enclave extractive industries, and simple, low skilled manufacturing into ones based on the production of more knowledge intensive, higher value added goods and services. It also helps countries develop the appropriate R&D capacity to support technology-based economic growth and competitiveness, address social, economic, and ecological problems specific to each country.

The key issue is no longer whether African countries should build technology capacity, but what type of capacities must be built given the constraints of the countries? How have countries in Asia built these capacities? How are policies designed and implemented to support technology development? What lessons can be drawn to assist African countries in allocating the scarce resources to build the required human and technology capacity?

The main objectives of the high level seminar are to:

- *Further understand some of the reasons behind the economic growth of Asian countries;*
- *Highlight the human capital building and technological development processes in Asian countries over the past 40 years;*
- *Share policy and operational lessons from experience in building technological capacity in Asian countries, in particular programs that are working effectively;*
- *Explore how the experiences in Asia can be harnessed by their African counterpart to build human capital and technology for development;*
- *Discuss how these lessons can be incorporated in human capital, science and technology development programs in Africa to be supported by the Bank and other development partners.*

In drawing lessons from these experiences, participants are requested to keep the following questions in mind:

- *How can human capacity building be sequenced? How have Asian countries built capacity at different stages of their development?*
- *Should African countries focus on creating new knowledge or absorbing existing knowledge?*
- *How have countries in Asia managed to ensure that the supply of skilled workers matches the demand for skilled workers?*
- *What types of institutions are required in building S&T capacity and how can these be developed?*
- *Drawing from the Asian experience, how can a coordinated regional approach in technology capacity building be developed and sustained in Africa?*
- *Countries in Asia are known for adopting, adapting, using and appropriating technologies. What are the stages that African countries should go through and what are the policies put in place to support the processes?*
- *How can the lessons from the Asian experiences assist African governments to design policies to reverse the brain drain of African scientists?*

The panel members for this seminar will be as follows:

Chair: **Mrs. Zeinab El Bakri**, Vice President, Sector Operations, AfDB

Speakers:

- **Mr. Jeffrey Sachs**, Director Earth Institute, University of Columbia, New York
- **Mr. William Lyakurwa**, Executive Director, African Economic Research Consortium (AERC), Kenya
- **Mr. Ren Youqun**, Assistant President, East China Normal University, China
- **Mrs. Amina J. Ibrahim**, Special Assistant to the President on MDGs, Nigeria

High Level Seminar No. 4

THEME: REGIONAL COOPERATION – ADDRESSING TRANS-BOUNDARY CHALLENGES

Venue: *Huangpu River Hall*

Time: *2:30 p.m. – 5:00 p.m.*

Summary

Africa faces numerous trans-boundary development challenges spanning the continent's political and economic spectrum. These include, political and social strife; the general perception of the continent as a high risk environment; weak inter-governmental institutions including the regional economic communities; economic mismanagement and poor governance in some countries; low inflow of foreign direct investment; inadequate and deteriorating infrastructure; high incidence of preventable diseases (e.g. HIV/AIDS; malaria, river blindness and water borne disease); and, low level of human capacity development.

Several of these constraints are rooted in and derive from social instability, structural weakness and policy and market failure and institutional weakness in individual member states. The contagion and spillover impacts of these constraints transcend political boundaries and contribute to observed poor economic and social performance of member countries, and the continent and its sub-regions.

There is a dire need for co-operative, regional and continental actions by member states and the need for stronger and a more effective regional integration of the countries and various economies of the continent.

This seminar will be an opportunity to discuss lessons learnt on how regional cooperation can address trans-boundary challenges.

Given the importance of regional integration to the development of the continent, panelists are requested to consider the implications of proposed solutions with a view to encouraging their speedy implementation to enhance economic growth and integration on the continent.

Additionally, panelists are requested to suggest additional measures and process that regional development institutions like the African Development Bank can undertake and implement to facilitate the resolution of trans-border challenges facing the continent as well as accelerate the overall integration agenda of the continent.

The panel for this High Level Seminar is constituted as follows:

Chair: **Mr. Abdoulie Janneh**, Executive Secretary, UN-ECA, Ethiopia

Speakers:

- **Mr. Mohamed Ibn Chambas**, Chairman of the Commission of ECOWAS, Nigeria
- **Mr. Masahiro Kawai**, Dean, Asian Development Bank Institute, Japan
- **Mr. Torgny Holmgren**, Deputy Director General, Ministry for Foreign Affairs, Sweden
- **Mr. Mandla Gantsho**, Vice President, Operations: Infrastructure, Private Sector and Regional Integration, AfDB