

GLOBAL DEVELOPMENT INITIATIVE AND BUILDING A CHINA-AFRICA COMMUNITY OF DEVELOPMENT WITH A SHARED FUTURE

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Against the backdrop of the combined impacts of profound changes and a global pandemic both unseen in a century, President Xi Jinping put forward the Global Development Initiative (GDI) at the General Debate of the 76th Session of the United Nations (UN) General Assembly, calling on the international community to re-focus on the development issue, to re-commit to sustainable development goals, to revitalize global partnerships, and to reset international development cooperation. The GDI is not only another important public good provided by China to the international community, but also stands for China's flagship project that plays a leading role in global development domain, having important bearing on practicing the concept of leaving no one behind and building a China-Africa Community of Development with a Shared Future.

AFRICAN DEVELOPMENT PREDICAMENTS IN THE WORLD'S NEW TURBULENT TRANSFORMATION PERIOD

Since the global commodity crash in 2014, Africa has entered into a new development low-tide period, which may last for a considerably long time: on the one hand, the "Africa rising" lasting for nearly two decades has gradually faded and terminated by the COVID-19 pandemic, and on the other, support for African development by the international community has drastically waned.

In regard to the internal driving force, Africa's sustainable development has encountered major setbacks after twenty years of sustained rapid development between 1994 and 2014. On the one hand, its medium and long-term sustained economic development momentum is less than encouraging. A review of the process of African economic development after the Cold War ended shows that though the African economy witnessed marked development between 1995 and 1996, "Africa rising" to a large degree concentrated between 2000 and 2014. Since 2014, the African economy has been impacted by the commodities crash, the China-U.S. trade friction, and the COVID-19 pandemic. Worse, impacted by the pandemic, the African economy saw the first negative growth in half a century, by minus 2.1 percent in 2020. In 2021, the African economy recovered with a 4 percent growth. The international Monetary Fund (IMF) forecasts African growth to be only 3.7 percent in 2022. The African Development Bank believes that it is unlikely for Africa's annual growth rate to recover to more than 4 percent. Judging by the sustainable development goals, the pandemic has in fact made African development regress rather than progress. For instance, based on the value of 2015 U.S. dollar, the pandemic has made Africa's per capita GDP of 2020 go back by a decade, at 1564 U.S. dollars, only on a par with that for 2010 (1531 U.S. dollars). In regard to poverty reduction, the pandemic has nullified Africa's efforts for the past two decades, with more than 40 million people falling into

extreme poverty.

On the other hand, the macro-economic environment for African development has deteriorated dramatically, with shortfall of fund continuing to gape. At the beginning of the 21st century, the optimistic atmosphere of “Africa rising” encouraged most of the African countries to adopt proactive fiscal policies and national development strategies. However, since 2014, as increasing risks of balance of payments and fast mounting debt risks piled on, it has become impossible for Africa’s macro-economic environment to improve in the short run. For instance, the African Development Bank estimated before the pandemic outbreak that Africa’s overall annual requirement for infrastructure investment was between 130 billion U.S. dollars and 170 billion U.S. dollars, with an annual financing shortfall sitting between 68 billion U.S. dollars and 108 billion U.S. dollars, among which that for public health infrastructure financing stood at roughly 26 billion U.S. dollars a year. The pandemic has markedly enlarged funding shortfalls: it is estimated that between 2022 and 2024 Africa may need 484 billion U.S. dollars for coping with the pandemic and achieving economic recovery. The decrease in fiscal revenue caused debt risks of African countries to rise rapidly. In 2014, there were debt risks in 30 of the African countries, among which 11 were low risk countries, 14 were medium risk countries, and only 5 were high risk countries; whereas by 2020, 38 countries faced debt risks, and among them one was low risk country, 16 were medium risk countries, and 15 were high risk countries, on top of which 6 countries had already fallen into debt crisis.

In regard to external support, there has been a remarkable downward slide in developed countries’ support for African development since 2014. After the global financial crisis of 2008, African development assistance from member countries of the OECD Development Assistance Committee (DAC) had kept growing, but it had been on decline since 2014, and not recovered to the level of 2013 until 2019 (regardless of inflation). With the pandemic outbreak, the OECD DAC’s assistance to Africa saw little increase in 2020, with its percentage actually on a downward slide (See Figure 1).

Though officially the OECD DAC claimed that its member countries’ global foreign assistance in 2020 totaled 161.2 billion U.S. dollars, with an actual growth of 5.4 billion U.S. dollars on top of that of 2019 or 3.5 per-

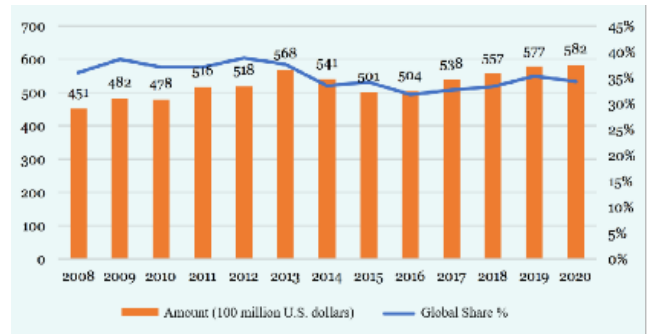


Figure 1. Development Assistance to African Countries from Member Countries of the OECD DAC (2008-2020)
 Source: compiled by the Author according to data of the OECD DAC, See: <https://www.oecd.org/dac/financing-sustainable-development/development-finance-data/idsonline.htm>

cent up year on year, that growth mainly reflected anti-COVID assistance totaling about 12 billion U.S. dollars, which means that the OECD DAC member countries’ foreign development assistance in reality decreased by 6.6 billion U.S. dollars. In absence of subdivision data for assistance to Africa, inferred in combination of Figure 1, the situation is less than encouraging.

There is hypocrisy in developed countries’ assistance to Africa. On the one hand, comparing the global financial crisis of 2008 with the COVID-19 pandemic crisis, one can see that developed countries have largely reduced their contributions to international development cooperation. The most important differentiation between the two crises lies in the fact that the global financial crisis of 2008 was induced by the West, and the subject of salvage was the West, be it internal rescue or foreign assistance; whereas the COVID-19 pandemic belonged to force majeure, and foreign assistance was not internal rescue. Therefore, in 2008 the OECD DAC countries provided a very large amount of foreign assistance, whereas except for a very small number of countries, in face of the COVID-19 pandemic, there was an evident downward slide in foreign assistance from most of the OECD DAC countries (See Figure 2).

On the other hand, developed countries locked down vaccines through agreement, exacerbating the already serious challenge of immunization gap for Africa. According to statistics of the World Health Organization (WHO), by the end of March 2022, though Africa’s confirmed COVID-19 cases were the fewest among all regions of the world, its vaccination rate was shockingly low: only 25.4 doses per 100 people, in comparison, that

for the Western Pacific region was as high as 208.1 doses. Going by full vaccination of two doses, that is on the average one person receiving two doses, then among 100 people in Africa, only 12.35 persons are fully vaccinated, whereas the figure for the Western Pacific region is 81.39 persons. Although there are people holding the view that owing to memories of colonial history, Africans have misgivings about jabs, resulting in low vaccination rate, a more important key fact is that it is difficult for Africa to acquire sufficient vaccines. One important reason among others behind this is that developed countries in the West tend to sign confidential agreement with vaccine producers so as to lock down vaccine production, which not only reduces the doses of vaccines for open circulation, but also bids up prices of vaccines, as the price for relevant countries' agreement to lock down vaccines is not transparent. According to the figure of the United Nations Children's Fund (UNICEF), by

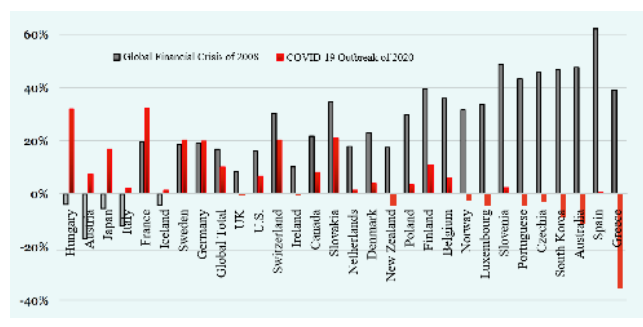


Figure 2. Foreign Assistance Provided by OECD DAC Countries, Comparison between 2008 and 2020

Source: Compiled by the author according to OECD DAC data, See <https://www.oecd.org/dac/financing-sustainable-development/development-finance-data/idsonline.htm> accessed on March 31, 2022

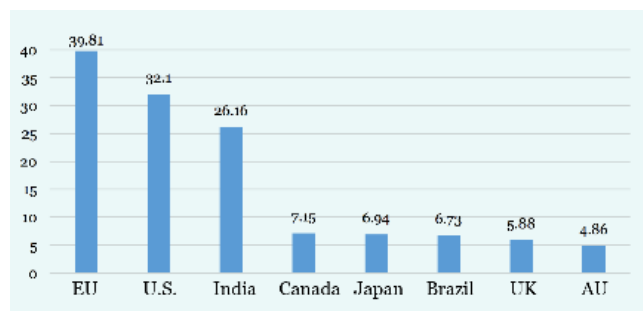


Figure 3. Major countries and regions locking down vaccines (by 100 million doses)

Source: UNICEF COVID-19 Vaccine Market Dashboard, <https://www.unicef.org/supply/covid-19-vaccine-market-dashboard#.data> collected on March 31, 2022

March 2022, the AU had only locked down 486 million doses of vaccines for the whole of Africa, much less than countries like Japan or the UK (See Figure 3)

GDI HAS IMPORTANT BEARINGS ON AFRICAN DEVELOPMENT

The GDI was put forward against the background of the UN 2030 Agenda for Sustainable Development suffering not only delay in implementation but also the impact of the COVID-19 pandemic, and has particularly important bearings on the African region in face of serious development difficulties. Intended to effectively dovetail the FOCAC Dakar Action Plan (2022-2024), the China-Africa Cooperation Vision 2035, the AU Agenda 2063, and the UN 2030 Agenda for Sustainable Development, the GDI can provide stronger dynamics for economic recovery to Africa, promote achievement of sustainable development goals in Africa, and advance the building of a China-Africa community of development with a shared future.

First, the GDI can help Africa accelerate actions in achieving UN sustainable development goals. Although the international community was enthusiastic about the UN sustainable development goals, since their implementation started in 2006, under the impact of anti-globalization and populism, the steps taken by various countries to implement the goals had been too slow. Therefore, the UN put forward in 2019 a plan for decade of action to achieve Agenda 2030 goals for sustainable development, calling on the international community to amplify actions to attain the sustainable development goals by 2030. The pandemic outbreak has left conditions for completing the decade of action plan no longer sufficient. According to simulation by the United Nations Development Program (UNDP), even under the scenario where the pandemic situation is not serious, the prospect of achieving the sustainable development goals still offers little room for optimism. The current pandemic is clearly more than serious, which might lead to a prolonged duration and persistent virus mutations. As such, only by accelerating actions with targeted intervention for inclusive green development, including pursuance of integrated policies in national governance, social security, green economy and digitalization, can it be possible to effectively ameliorate the impact of the pandemic and help bring countries back to the fast track

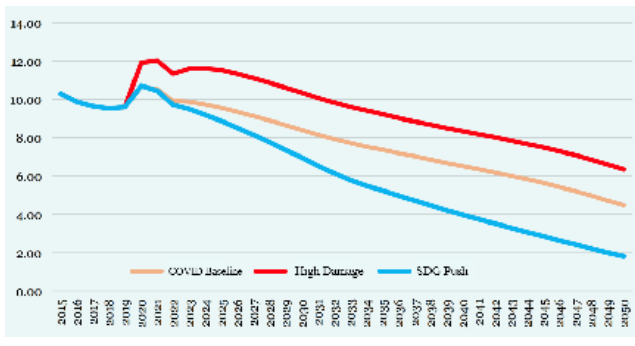


Figure 4. Simulation of COVID-19 Impact on the SDG-1
 Source: UNDP, "Assessing COVID-19 Impact on the Sustainable Development Goals," <https://data.undp.org/content/assessing-covid-impacts-on-the-sdgs/>

in achieving sustainable development goals. Taking Sustainable Development Goal 1 (SDG-1) that is ending poverty everywhere for instance, the pandemic has brought global incidence of poverty back to about 12 percent. Only by accelerating actions can the goal of reducing global incidence of poverty to 6 percent be achieved by 2030, otherwise it will not be achieved until 2050 (See Figure 4). Since Africa is the region with the highest incidence of poverty across the globe, the GDI is no less than a "timely rain" for Africa to accelerate actions.

Second, the GDI can effectively deliver China's commitments to international development, and improve efficiency of China-Africa development cooperation. The proposal of the GDI can strike a more effective balance between China's development cooperation and its market cooperation. In global efforts to implement the UN Millennium Development Goals (MDG), China's contribution in poverty elimination accounts for 76 percent of the global total; at present, China has achieved the ending poverty goal of the UN Agenda 2030 for Sustainable Development ten years ahead of schedule. At the same time as it promotes its own development, China has been committed to promoting international development, and entered into several long-term cooperation vision plans with its partners, such as the China-ASEAN Strategic Partnership Vision 2030 signed in November 2018 and the China-Africa Cooperation Vision 2035 signed in November 2021. Before the GDI was put forward, compared with the Belt and Road Initiative focusing on market cooperation, China's commitment to international development cooperation was not as systemic. The GDI provides the framework for China to integrate its international development cooperation, and will promote a balanced

development between the two pillars of development cooperation and market cooperation.

From an African perspective, the role of such a balanced development will be more evident. On the one hand, the China-Africa Cooperation Vision 2035 provides a medium and long-term strategic guidance for China-Africa comprehensive cooperation, making the 3-year action plans of FOCAC more attainable. On the other, the GDI has complemented China-Africa cooperation with a strategic framework of development cooperation. Traditionally, China-Africa cooperation included five pillars of political cooperation, economic cooperation, security cooperation, cultural cooperation and international cooperation. In all initiatives such as the Eight Policy Measures for China-Africa Cooperation of 2006, the Ten Major Programs to Boost China-Africa Cooperation of 2015, the Eight Major Initiatives of 2018, and the Nine Programs of 2021, development cooperation features prominently. Therefore, it will greatly promote in-depth China-Africa cooperation to lead China-Africa development cooperation with the GDI and make it a sixth pillar of China-Africa cooperation.

Third, the GDI can effectively give play to additionality and the catalytic function of Chinese capital, and ameliorate Africa's predicaments in development financing. The GDI was proposed against the backdrop of huge financing difficulties facing the international community and particularly Africa. It can make important contributions to ameliorating development financing predicaments of the international community and Africa in particular by coordinating China's international development cooperation funds and improving their additionality and catalytic function. Both additionality and catalytic function are important principles of international investment. Additionality in investment refers to investing in countries, sectors, regions, capital industries and business models into which other investors have not entered or do not wish to enter. Catalytic investment refers to investment flowing into areas where businesses particularly local investors converge so as to improve efficacy of the use of capital, or investment performing a certain leverage function of bringing in other investors.

The GDI stresses on upholding universality and inclusiveness, and emphasizing advancing cooperation in poverty reduction, food security, pandemic response, development financing, climate change and green development, industrialization, digital economy, and con-

nectivity, focusing on fragile countries many of which are in Africa. In other words, in both aspects of universal inclusiveness and action orientation, the additionality role played by the GDI is highlighted in countries, regions and sectors which traditional assistance providers set little store by.

The GDI stresses on upholding the principles of prioritizing development, following a people-centered approach, innovation-driven development, and harmonious coexistence between man and nature, all of which underlines the catalytic function of Chinese funding and thereby accelerates the implementation of the UN Agenda 2030 for Sustainable Development through urging the ongoing international development efforts and promoting coordinated additional financing in the global development process. At the same time, the GDI funding can be combined with market cooperation with the BRI as the core. A new approach can be developed to development promotion featuring parallel tracks of development plus cooperation that mutually reinforce one another, and bring into full play the powerful mobilizing capacity or leverage role of assistance fund and market investment. Besides, by injecting upfront start-up capital into projects where private capital is reluctant or has difficulty to enter, the GDI can significantly bring private capital in so as to increase its catalytic effect in ameliorating Africa's financing predicaments.

PATH TO BUILDING A CHINA-AFRICA COMMUNITY OF DEVELOPMENT WITH A SHARED FUTURE

To go hand in hand with building a community with a shared future for mankind, the building of a global community of development with a shared future should also start from a basic modular. Based on sound China-Africa development cooperation, the GDI will markedly accelerate the building of a China-Africa community of development with a shared future. Of course, it will remain a long process in which it is necessary to closely synthesize development visions of China and Africa and that of the international community at large, and make the China-Africa community of development with a shared future a demonstration project for building a global community of development with a shared future through phased implementation of short-term action plans, medium-term strategies and long-term visions.

First, it is necessary to take the 3-year action plans

of the triennial FOCAC ministerial conference as short-term action strategy of China-Africa development cooperation, which will lay a solid foundation for the China-Africa community of development with a shared future. Though there are differences between the action plans of different ministerial conferences, their core elements and structures are similar. A review of action plans of ministerial conferences since 2000 shows that the core elements are trade promotion, investment promotion, poverty reduction and agricultural development, health, scientific and technological innovation, green development, cultural and people-to-people exchanges, and peace and security, among which poverty reduction cooperation, public health, technological transfer, green development, and human resources are traditional domains of China-Africa development cooperation. Though as international environments vary at different periods, so do priorities of China-Africa development cooperation. For FOCAC action plans, adjustments are made in order for priorities to be more appropriate against different background. With the formulation of the China-Africa Cooperation Vision 2035 and the proposal of the GDI, there is reason to believe that the future FOCAC action plans will be made with a more rational logic, the linkage between them smoother, and benefits of China-Africa development cooperation more remarkable.

Second, it is necessary to roll out a scrolling medium-term strategic plan once every ten or fifteen years, especially aiming to dovetail at a high-level the China-Africa Cooperation Vision 2035 and the ten-year implementation plans for the AU Agenda 2063. Owing to launching time differences of different plans, the China-Africa Cooperation Vision 2035 was launched at a time when the First Ten-Year Implementation Plan for AU Agenda 2063 was about to end and the Second Ten-Year Implementation Plan was yet to be formulated. Therefore, in the short run, when pushing for the implementation of the FOCAC Dakar Action Plan (2022-2024), it is necessary to closely follow the linkage between the first ten-year implementation plan and the second ten-year implementation plan for AU Agenda 2063, and timely adjust concrete implementation plans of the China-Africa Cooperation Vision 2035 according to the performance of the first ten-year implementation plan.

According to the assessment report on the implementation of the Agenda 2063 released by the AU in

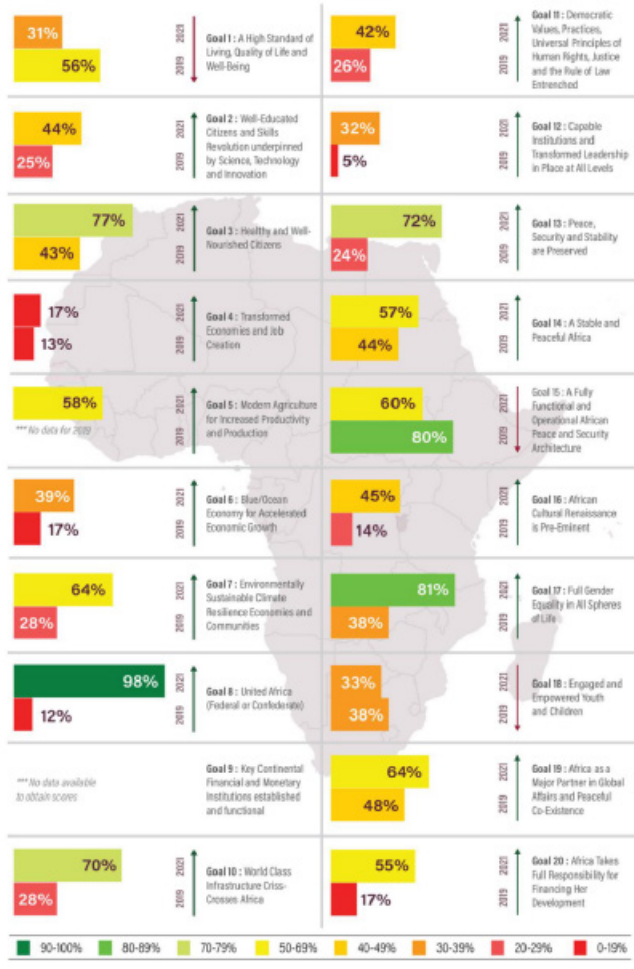


Table 1. Continental Performance by Agenda 2063 Goals
 Source: AUDA-NEPAD, *Second Continental Report: On the Implementation of Agenda 2063*, Johannesburg: AUDA-NEPAD, February 2022, p. 4

early 2022, by the end of 2021, among 20 goals set by the AU Agenda 2063, only 2 goals had been achieved by more than 80 percent, 3 others by over 70 percent, and yet 4 others by 50-60 percent. In other words, only 9 of the goals had been achieved more than 50 percent, less than half of the total (See Table 1). Now it seems that the First Ten-Year Implementation Plan for AU Agenda 2063 as a whole will not be completed on time, and therefore the mission of the second ten-year implementation plan is to a large degree clear, and it is necessary to prioritize the medium-term strategy of China-Africa cooperation leading to 2035 in two aspects, focusing first on goals that are on relatively good grounding and play an important role in promoting African development,

including Goal 3, Goal 10 and Goal 13, and second on goals that are on relatively poor grounding but are of great significance to people’s livelihood in Africa, including Goal 1, Goal 2, Goal 4, Goal 9 and Goal 16.

Third, it is necessary to look high and afar at the smooth linkage between China’s second centenary goal, Africa’s first centenary goal (the AU Agenda 2063), and the UN 2030 Agenda for Sustainable Development, and to reflect on Africa’s long-term development vision and make flexible readjustments. As both China’s second centenary goal and Africa’s first centenary goal are already established, one should focus on the UN’s follow-up agenda for sustainable development beyond 2030. First of all, it is necessary to consider the evolution of focused groups in the UN 2030 Agenda for Sustainable Development. Since the onset of the 21st century, the UN 2030 Agenda for Sustainable Development has focused on the poverty issue or on the needs of the poor as one group on the one hand, and on the gender issue on the other, mainly on the needs of women as a group. Hence, it is very important to define the focused groups of a follow-up UN agenda for sustainable development beyond 2030. At present, there are mainly two candidate focused groups, one being the young, and the other the ill. The former has been in the limelight since the Arab Spring, and the latter, highlighted by the COVID-19 pandemic. Secondly, it is necessary to consider the construction of an international development financing system. China has made and will continue to make important contributions to international development fund, the GDI being the latest example. China’s contributions to the whole international development financing system are in the process of enlargement, and it is necessary to construct an upgraded edition of the common but differentiated responsibilities (CBDR) principle, by which developed countries should truly honor their commitment to contribute 0.7 percent of their Gross National Production (GNP) to foreign assistance, whereas emerging development partners should make nationally determined contributions in dealing with climate change, and developing countries or recipients of assistance should set up targets for their internal mobilization of resources. Should an upgraded edition of the CBDR principle be effectively manifested, the international visibility of China’s contributions and particularly its GDI will greatly increase. ■