

## **2018 KOAFEC Ministerial Conference**

### **Joint Declaration**

1. The Minister of Strategy and Finance of the Republic of Korea, key Ministers representing African countries, the President of the African Development Bank Group (the “AfDB”), representatives of Pan African institutions and regional economic communities, Chief Executive Officers from both the African and Korean private sector met in Busan on 22 and 24 May 2018 for the 6<sup>th</sup> Korea-Africa Economic Cooperation Conference (the “KOAFEC Conference”). The KOAFEC Conference was co-organized by the Ministry of Strategy and Finance, the Export-Import Bank of Korea, and the African Development Bank.
2. Korea and the 54 countries of Africa (the “Parties”) recognize that the KOAFEC Conference, since its establishment in 2006, has contributed to strengthening the partnership between the Parties, and to the economic growth of Africa through joint cooperation in 6 priority areas including infrastructure, information technology, human resources, knowledge sharing, agricultural development and green growth. The collaboration between the Parties has been implemented through a diverse range of bilateral and multilateral channels using instruments such as grants, concessional loans to finance public and private sector projects, technical assistance and capacity building.
3. Under the theme of the 6<sup>th</sup> KOAFEC Conference, ‘Africa and the 4<sup>th</sup> Industrial Revolution: Opportunities for Leapfrogging?’ the Parties agreed to strengthen their friendship and cooperative partnership for Africa’s economic development. Held together with the Annual Meetings of the AfDB, this year’s conference is particularly well suited as an opportunity to build a more inclusive partnership with the countries of the African continent, a partnership that includes not only economic cooperation but also cultural exchange between the Parties.

#### I . Korea-Africa Economic Cooperation

4. The Parties expect Africa, based on its potential for growth, to be a significant contributor to global GDP, especially in the era of the 4<sup>th</sup> Industrial Revolution. Also, in recognition of the 4<sup>th</sup> Industrial Revolution as an opportunity for African countries, the Parties agreed to fully cooperate with each other to leverage on this unique period in history.

5. The Parties acknowledge that Korea's economic development over the years was based on building human capacity through investments in health and education, and on the pursuit of advanced technology.
6. The Parties understand that sharing the experience of Korea's economic development can play a role in helping African countries capitalize on the opportunity of the 4<sup>th</sup> Industrial Revolution to reduce the technology gap and to eradicate poverty through economic development.
7. The Parties will work to build basic infrastructure in communications, electricity, and roads to allow African countries to effectively respond to the 4<sup>th</sup> Industrial Revolution. More specifically, the Parties will expand technical exchange and economic cooperation and stimulate cooperation with the private sector to mobilize the necessary resources.
8. The Parties will work to implement the 4<sup>th</sup> Industrial Revolution in Africa with a focus on Smart Farming, which combines ICT with agriculture, both sectors being potential springboards for Africa's future growth, and work to reinforce the cooperation that utilizes Korea's expertise in the ICT sector.
9. The Parties will work to promote entrepreneurial startups, who will play significant roles in harnessing the opportunity of the 4<sup>th</sup> Industrial Revolution. This includes not only direct support for startups, but also the sharing of Korea's experience with regards to its development of a supportive ecosystem for venture capital and small businesses.
10. The Parties affirm the necessity for capacity building in African countries to achieve the goals listed above. In favor of capacity building, the Parties agree to introduce and implement diverse personnel exchanges which will include training, education, and secondment of experts through both government and private channels.
11. The Parties will continue to support the AfDB High 5 priorities (the "High 5s") for the development of Africa, especially in the specific areas of overlap with KOAFEC's six priority areas.

## II. Key Areas of Cooperation

### II-1. Energy and Infrastructure

12. The Parties agree that infrastructure development in Africa is the key foundation for growth, and will actively cooperate on infrastructure projects that will be implemented in Africa.
13. The Parties will actively cooperate on developing social infrastructure, such as the establishment of academic institutions and training centers, construction of medical and other facilities for the improvement of living conditions, as such interventions will help to secure growth and improve the quality of life of Africans.
14. In order to promote regional integration in Africa, Korea will work with African countries by supporting various transportation projects, including the construction of roads, railroads, harbors, airports and other transport infrastructure and intelligent transport systems, while providing training opportunities for project implementation units in African countries.
15. The Parties agree that low access to electricity in Africa is one of the biggest obstacles to its economic growth and, therefore, will cooperate on multiple fronts to ensure Africa's access to energy, namely through the improvement of energy efficiency, a focus on renewable energy and support for infrastructure related to power generation, transmission, and distribution.

### II-2. Information and Communications Technology (ICT)

16. With its comparative advantages in the ICT area, Korea will share its experience and knowhow in the area to enhance access to information, and work to reduce the social

cost in sharing information, which will contribute to achieving inclusive growth in Africa.

17. Africa and Korea affirm the desire to build e-Governance and other digitized systems to improve the efficiency of public resource management. Korea in particular, reinforces its commitment to training manpower to operate, manage and develop new electronic systems, and will offer consulting and training programs for ICT engineers and government personnel in this regard.

### II -3. Human Resources Development

18. The Parties acknowledge the importance of productive employment, policies focused on job creation and developing an environment of creativity and innovation to increase employment opportunities.
19. Acknowledging the importance of small and medium sized enterprises (SMEs) in creating jobs, the Parties will introduce policies that promote development and growth of SMEs and expand investment in education and technical skills to create decent jobs.
20. Korea will respond to enterprises' need for a skilled workforce by supporting higher education in science and technology and vocational training programs for the youth in Africa, thereby contributing to the expansion of local human capital.

### II -4. Agricultural Development

21. The Parties acknowledge the importance of improving food security by increasing agricultural income and productivity, and, in particular, recognize that agricultural mechanization, ICT-based skills innovation, and other investments to enhance agricultural productivity can act as the driving force behind poverty reduction and sustainable economic growth.

22. The Parties agree that Korea's successful development experience and knowledge can help Africa to promote an effective strategy for agricultural innovation.

23. Therefore, Korea will partner with Africa to build the necessary infrastructure for the establishment of zones for agricultural production and regional development to provide comprehensive support throughout all stages of the value chain in the agricultural sector. In addition, Korea will promote self-supporting development cooperation that allows farmers to make economic progress on their own, and actively contribute to their capacity building in order to inspire farmers' willingness to continue to work in that sector.

#### II -5. Climate Change

24. The Parties will cooperate with Green Climate Fund (GCF), and other entities with a similar mandate, for sustainable development in order to deal with climate change. The Parties will also make efforts to achieve environmentally friendly economic growth, and to strengthen the capacity of solving environmental issues at the same time.

#### II -6. Sharing of Korea's Development Experiences

25. Given that Korea's Knowledge Sharing Program (KSP) is an effective tool towards achieving the Sustainable Development Goals (SGDs), the Parties agree that it can support Africa to leapfrog its growth trajectory.

26. Korea will share its experience and knowledge of economic growth strategies with the countries of Africa, and actively contribute to building capacity in Africa's Public Private Partnership sector in particular.

### III. Moving Forward

30. The Parties conclude that the 2018 KOAFEC Conference has provided an opportunity for closer cooperation between Africa and Korea within the context of the 4<sup>th</sup> Industrial Revolution. The Parties are further committed to developing synergies and future-oriented partnership, which are

crucial to achieving the objectives of the Joint Declaration.

31. The Parties pledge to actively cooperate on the strategic direction of the High 5s to create an enabling environment by enhancing policy and legal frameworks to attract more Korean investment (including private investment) into African markets and increase support for financial services and infrastructure.
32. Based on the outcomes of the 6<sup>th</sup> KOAFEC Conference held May 22, 2018 in Busan, Korea, the Parties adopted this Joint Declaration.
33. Korea, as Africa's trustworthy partner, will offer a financial package worth USD 5 billion for the next two years (2019-2020). This consists of: 1) USD 1 billion in concessional loans from the Economic Development Cooperation Fund (EDCF), and 2) USD 200 million of concessional loans from the Economic Development Promotion Fund (EDPF), 3) USD 20 million through the KOAFEC Trust Fund housed at the African Development Bank and Knowledge Sharing Program (KSP), and 4) USD 3.8 billion in export financing from the Export-Import Bank of Korea. With the new addition of EDPF in this Action Plan 2019/2020, the Korean government aims to offer a more inclusive financial package that uses various financial instruments.
34. The Parties agree that the peaceful climate on the Korean peninsula achieved through the Panmunjeom Declaration has contributed to the reduction of political uncertainties and a stable economic cooperation between Korea and Africa. African countries look forward to further progress in easing geopolitical tensions in the region