



# FOCAC - JUST HOW UNIQUE IS IT?

## A BACKGROUND BRIEFING<sup>1</sup>

### Why was FOCAC created and what is it?

The creation of the Forum on China-Africa Cooperation (FOCAC) 18 years ago was in fact a response to African countries' request, who were seeking more coordination in their bilateral relationships with China<sup>2</sup>. Ministerial conferences of the FOCAC take place every 3 years and are held in China and an African country alternately<sup>3</sup>. There have also been summits in 2006 and 2015. The upcoming 7th FOCAC and 3<sup>rd</sup> Summit, to be held in Beijing from 3-4 September 2018 will see an estimated 47 Heads of State and Government from Africa gather, making it the largest ever meeting of African leaders outside the continent.

### What has happened so far?

At FOCAC, China has typically pledged numeric or input-based commitments to African countries. For example, China's loan commitment increased from US\$5 billion in 2006 to US\$10 billion in 2009, US\$20 billion in 2012 and US\$35bn in 2015<sup>4</sup>. China committed to training 10,000 African personnel in various fields in 2003, 15,000 in 2006, 20,000 in 2009 and 30,000 in 2012. At the 2003 FOCAC, China announced its decision to grant zero-tariff treatment to exports from least developed countries (LDCs) in Africa; at the 2006 FOCAC, the number of such eligible export items was increased from 190 to 440; in 2009, it promised to gradually grant tariff-free treatment to 95 percent of all exports from African LDCs and further increased this number to 97 percent in 2012. Similarly, in 2006 China announced it would set up 10 agricultural demonstration centers across Africa, and increased this to 30 in 2009, in partnership with the United Nations' (UN) Food and Agriculture Organization (FAO). The US\$5 billion China-Africa Development Fund announced at the 2006 FOCAC summit, has since been increased to \$10bn, and has supported Chinese investment in Africa, including 6 Special Economic Zones in 5 African countries: Zambia, Nigeria, Ethiopia, Mauritius and Egypt. The pattern of making gradual commitments and piloting and expanding specific goals is typical practice in China. Given this, China is likely to announce more financing and new initiatives during FOCAC 7.

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<sup>1</sup> Adapted and updated from a briefing completed by UNDP China in 2015 – original available at:

<http://www.cn.undp.org/content/china/en/home/library/south-south-cooperation/focac--in-perspective.html>

<sup>2</sup> Anshan Li et al., FOCAC Twelve Years Later: Achievements, Challenges and the Way Forward, Discussion Paper 74 (2012). Available from: <http://osf.org.za/wp/wp-content/uploads/2015/08/FOCAC-twelve-years-later-achievements-challenges-and-the-way-forward.pdf>

<sup>3</sup> Ethiopia, Egypt and South Africa have been previous hosts.

<sup>4</sup> This includes both preferential loans and preferential export buyer's credits.

### What areas does FOCAC cover and why?

Overall, 13 areas of cooperation under FOCAC have emerged over time: agriculture; investment and enterprise cooperation; infrastructure; trade; finance; development assistance and debt relief; energy and natural resources; climate change; poverty reduction; public health; education; academia and think tanks, and peace and security.

Within these, priorities have changed over time. For example, climate change and think tank exchange received more emphasis from 2009 onwards. Poverty reduction was also mentioned for the first time in 2009, while lesser attention has been devoted to energy and natural resources recently. In 2015, the adoption of the 17 Sustainable Development Goals (SDGs) and industrialization took center stage, as well as training (e.g. via scholarships and study tours) which are now major priorities for many African countries. Peace and stability was emphasized in the 2015 action plan by both China and African countries<sup>5</sup>. Many civil society organizations successfully called for environmental issues<sup>iv</sup> including wildlife protection and renewable energy to be a higher priority in the 2015 FOCAC<sup>6</sup>.

Focus areas may expand at the upcoming FOCAC. Tourism to date has not received much emphasis, and unequal trade balances, the degree to which loans/aid is tied, and to which local jobs are created and technology is transferred through Chinese stakeholders remain challenging questions. There are also other changes to reflect, such as the continued progress of China's Belt and Road Initiative (BRI) (NB: the expectations are this year that the entire African continent will be brought under the BRI), the role of the Asian Infrastructure Investment Bank (AIIB), the BRICS New Development Bank, African progress in advancing regional integration through free trade and people movement, while climate change and the environment require continued commitment.

### Does China have other FOCAC-like mechanisms?

Africa is not China's only partner. Based on FOCAC's success to date, China has set up strategic partnerships with other regions. For example, the China-Pacific Island Countries Economic Development and Cooperation Forum was initiated in 2006. In January 2015, the first ministerial meeting of the Forum of China and the Community of Latin American and Caribbean States (CELAC) was held in Beijing, and a follow up in January 2018 in Chile. China is also an important partner of Southeast Asia and actively participating in the ASEAN+3 dialogue that involves all ASEAN countries, Japan and South Korea.

### Do African countries have other FOCAC-like mechanisms?

China is not Africa's only partner. African countries have partnerships with other individual countries outlined in the table below.

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<sup>5</sup> Yun Sun, "The Sixth Forum on China-Africa Cooperation: New Agenda and New Approach?" in *Foresight Africa: Top Priorities for the Continent in 2015*, Brookings Institution (January, 2015). Available from:

<http://www.brookings.edu/~media/Research/Files/Reports/2015/01/foresight-africa/china-africa-cooperation-sun.pdf?la=en>

<sup>6</sup> May Tan-Mullins, "Policy Meets Practice: Chinese Environmental Protection in Africa in the Wake of FOCAC VI", China Monitor, Center for Chinese Studies at Stellenbosch University (August, 2015). Available from: <http://www.ccs.org.za/wp-content/uploads/201>

**Table 1: Africa's Partnerships with other countries compared**

Africa's Partnerships	Year of Creation & Frequency	Highest No. of African States Participating	Major Announcements at the most recent event
Forum on China-Africa Cooperation (FOCAC)	2000 <i>Triennial</i>	42 heads of state (2006)	US\$60 billion loan and grant line for infrastructure, manufacturing and SMEs, and more (FOCAC 2015)
Tokyo International Conference on African Development (TICAD)	1993 <i>Every 5 years</i>	41 heads of state (2008)	US\$ 30 billion pledged between 2016-2018; \$10 billion earmarked for developing quality infrastructure through PPP (TICAD VI); vocational training for 50,000 people under peace and security, training for 30,000 people in industrial activities, 10,000 on intellectual property, and mathematics and science training for 20,000 teachers
US-Africa Leaders' Summit	2014	45 heads of state & government (2014)	US\$ 7 billion financing to promote American exports to and investment in Africa; US\$ 14 billion private sector investment in clean energy, aviation, banking and construction; US\$ 12 billion Power Africa initiative (White House Press Release)
France-Africa Summit	1973 <i>Annual until 1990, now biennial</i>	40 heads of state (2013)	French Development Agency will make 23 billion euros (approx. ~\$26 billion) to promote Africa's emergence; France to sponsor a French-African fund to raise private capital for investment in Africa (French President's Speech, 2017)
India-Africa Forum Summit (IAFS)	2008, 2011, 2015	41 heads of state & government (2015)	US\$10 billion concessional credit over the next five years; US \$600 million grant assistance including US \$100 million India-Africa Development Fund and US\$100 million India-Africa Health Fund; 50,000 scholarships over the next five years (Indian Prime Minister's Opening Speech)
Africa-Turkey Cooperation Summit	2008, 2014	7 presidents (2014)	Tariff-preferences and duty-free privileges to expand trade and investment from US\$30 billion in 2013 to US\$50 billion by 2019 (Joint Implementation Plan 2015 – 2019)
Korea-Africa Forum (KAF); Korea-Africa Forum on Economic Cooperation (KOFEC); Korea-Africa Forum on Industry Cooperation (KOFIC)	KAF 2006, triennial; KOFEC: 2006, biennial; KOFIC: 2008, annual	5 heads of state (2006)	Increase official development assistance to Africa; expand scholarship programs for African students. (Action Plan 2013-2105)
African Union- EU Summit	2000 <i>Triennial</i>		44 billion euros (~\$51 billion) investment in Africa by 2020, creating new jobs for young people in Africa (EU external investment plan unveiled at the 2017 summit)

### How do African countries and China make and track progress?

China has a FOCAC Follow-up Committee consisting of 28 Chinese departments and agencies led by the State Council. The three core ministries for FOCAC implementation are the Ministry

of Foreign Affairs, Ministry of Commerce and Ministry of Finance. The African side is less centralized, involving actors in Beijing and in African capitals. A few countries have specific offices for FOCAC follow-up, such as South Africa and Ethiopia, while other countries have specific China advisors<sup>7</sup>.

In order to prepare, Chinese and African senior officials meet one year before the next ministerial meeting and also a few days before the ministerial meeting. In Beijing, the African diplomatic corps are expected to meet with China's Follow-up Committee every two or three months to discuss issues related to China-Africa relations, and then consult with relevant departments in capitals. Chinese ambassadors and economic counsellors in African countries also report back to the Follow-up Committee. Finally, FOCAC has a number of sub-forums. For example, an annual China-Africa Poverty Reduction and Development Conference usually co-hosted by the UN Development Programme (UNDP) and the International Poverty Reduction Centre of China (IPRCC) was upgraded to a FOCAC sub-forum in 2015, while in 2018 the first ever a sub-forum on local government was held. These sub-forums often involve interactions with NGOs, businesses and academics, especially from China.

### What are the challenges of FOCAC?

There have been concerns that the African voice can be strengthened. For instance, the information on the allocation and implementation of commitments to specific countries remains unclear. It is also sometimes unclear whether commitments are cumulative or have deadlines. For example, commitments to build hospitals and malaria treatment centers in 2006 and 2009 were barely indistinguishable. Some large infrastructure projects – such as Kenya's new Standard Gauge Railway – are labelled as both FOCAC and Belt and Road Initiative (BRI) projects.

Some international organizations have begun to offer active support. In particular, previously an observer, the African Union (AU) Commission became a full FOCAC member in October 2011. In May 2015, China became the first country to set up a "fully dedicated permanent mission" to the AU<sup>8</sup>, and plans remain for an AU mission to be set up in Beijing by the end of 2018<sup>9</sup>. The UN has been increasingly participating in FOCAC as an observer, with the Secretary-General delivering a speech at the 2012 ministerial, and due to do so at FOCAC 7 as well. Some UN agencies – such as UNAIDS – are making efforts to be more engaged in supporting coordination or directly tracking commitments, which is a welcome development.

### Acknowledgements

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<sup>7</sup> Haifang Liu, "FOCAC VI: African Initiatives towards a Sustainable Chinese Relationship" in *FOCAC VI – African Initiatives towards a Sustainable Chinese Relationship*, China Monitor, Center for Chinese Studies at Stellenbosch University (July 2015).

<sup>8</sup>"China Opens Permanent Mission to AU", Xinhua (May 8, 2015). Available from:

<http://english.cri.cn/12394/2015/05/08/3745s877793.htm>

<sup>9</sup> <https://www.africaportal.org/features/forget-bugging-african-union-needs-be-china/>