

THE FORUM ON CHINA-AFRICA COOPERATION (FOCAC)



BRICS Policy Center Centro de Estudos e Pesquisas - BRICS

This fact sheet outlines the international cooperation between China and certain African states as a result of the Forum on China-Africa Cooperation (FOCAC).

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SOCIO AMBIENTAL
PLATFORM



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What is FOCAC?

Source: [FOCAC website](#), [Ferchen \(2013\)](#), [Austin Strange et al. 2013](#)

- FOCAC is a Forum that is held in China or an African country on an alternating basis.
- It was founded in October 2000 at the first Ministerial Conference in Beijing.
- FOCAC is part of a growing trend of South-South Cooperation that provides an alternative to traditional development assistance mechanisms.
- Objective: Strengthen Sino-African economic cooperation and trade relationships to establish a new international order that will better reflect the needs and interests of China and Africa.
- The Forum meets every three years and has held meetings in Beijing, China in 2000; Addis Ababa, Ethiopia in 2003; Beijing, China in 2006; Sharm El-Sheik, Egypt in 2009; Beijing, China in 2012 and Johannesburg, South Africa in 2015. The 7th Ministerial Conference of FOCAC will be held in the People's Republic of China in 2018.
- Each forum results in a three-year action plan between China and the African countries. The action plans are carried out on a bilateral basis between countries and monitored by a follow-up committee.

Structure and Values (Source: [FOCAC website](#))

FOCAC has 5 guiding values that embody the spirit of South-South cooperation: equality and mutual benefit; diversity in form and content; emphasis on practical results; pursuit of common progress; and amicable settlement of differences. Commitments made during the forum are divided into five broad cooperation areas as follows:



POLITICAL

Increased diplomatic visits between China and African countries.



SOCIAL
DEVELOPMENT

Medical technology and training; increased scholarships for African students and schools built in Africa; Joint environmental research.



ECONOMIC

Increased trade, foreign investment and official development assistance. Agricultural technology and knowledge sharing with a focus on FAO programs.



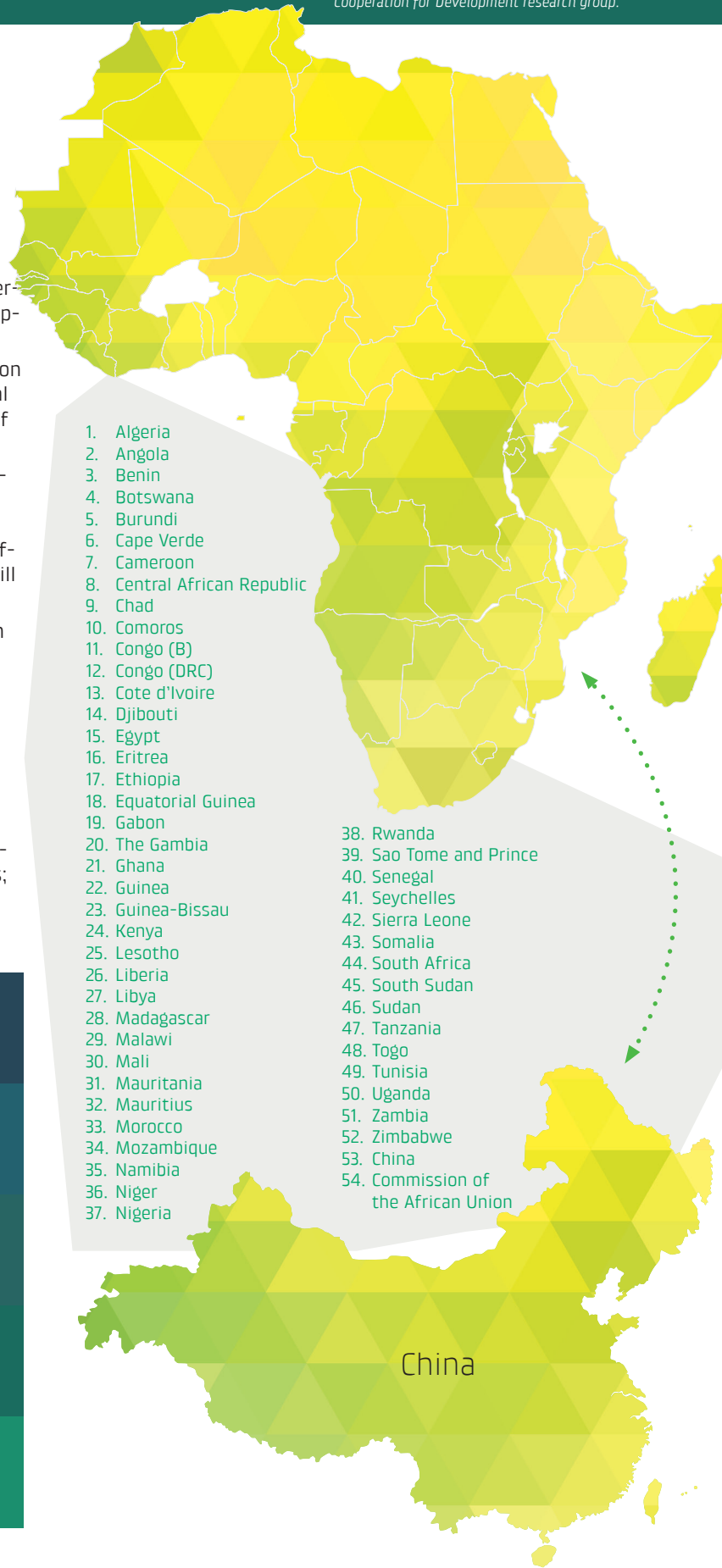
CULTURAL

Increased Chinese tourism to Africa, cultural exchange through arts and youth festivals, and women's cooperation.



SECURITY

Military assistance, intelligence exchange, international law research, preventing transnational crime and anti-terrorism.



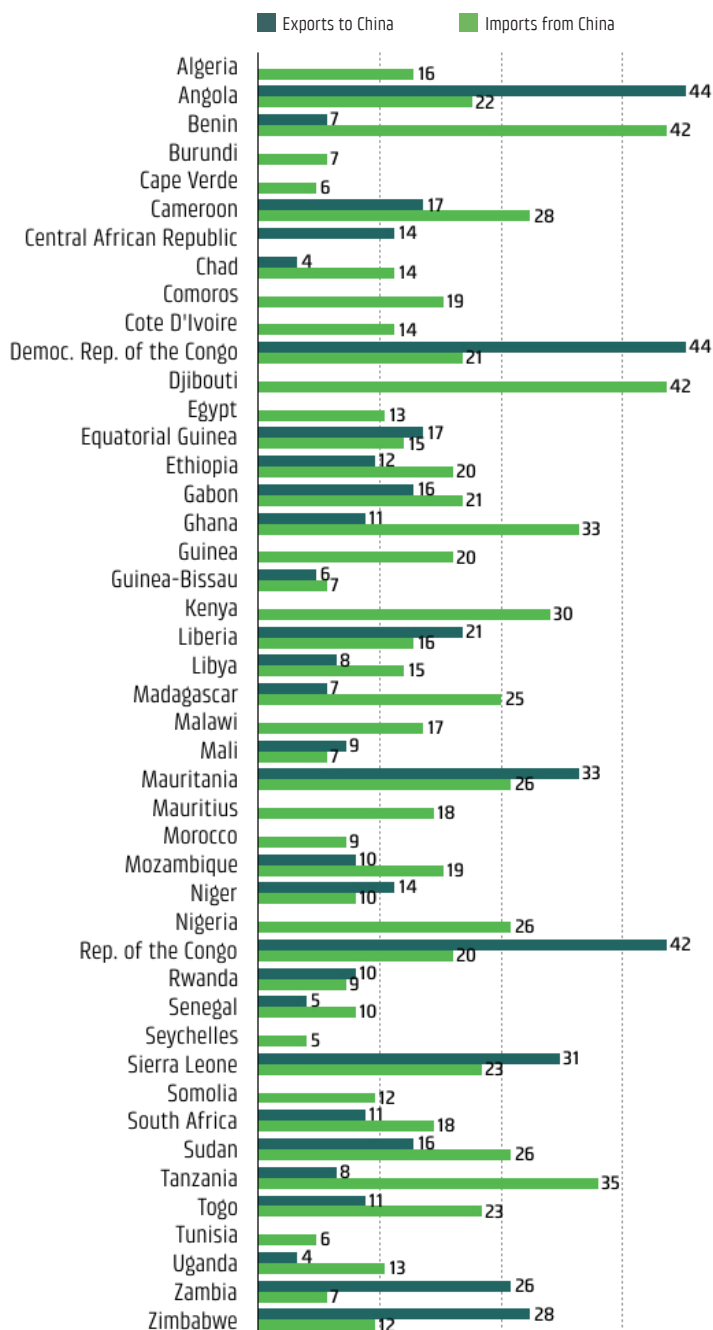
Summary of Main Commitments of FOCAC

1. Trade

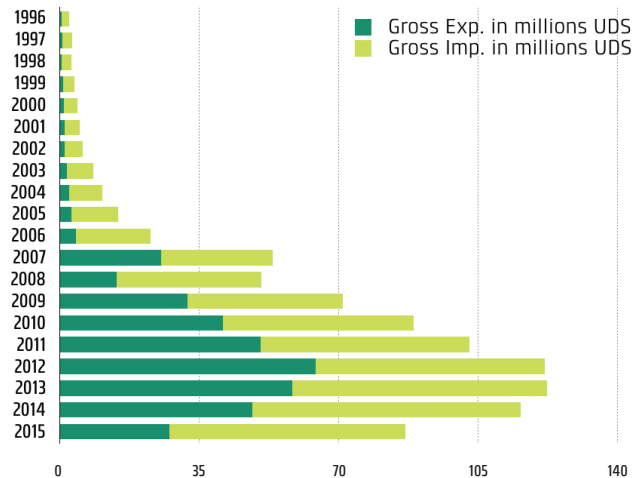
- China has granted tariff exemption treatment to 95% of exports from the least developed countries in Africa.
- The two sides will scale up trade and try to elevate the China-Africa trade volume to US\$400 billion in 2020 from US\$220 billion in 2014, ensuring that the rate of growth is maintained in overall trade figures and that balance in trade, the desired outcome, is achieved.

Concentration of trade with China as a % of total country's trade value (2015)* Source: [CIA World Factbook](#)

*The Gambia, Sao Tome and Principe joined FOCAC in 2016 and 2017, respectively, therefore are not reported in 2015 data.



Growth of Merchandise Trade between FOCAC countries and China Source: [World Bank](#)

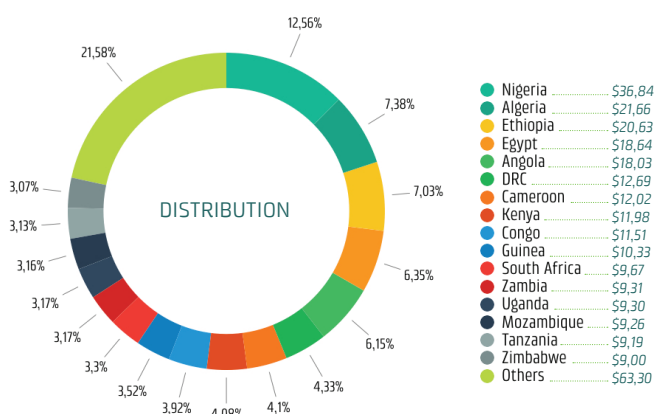


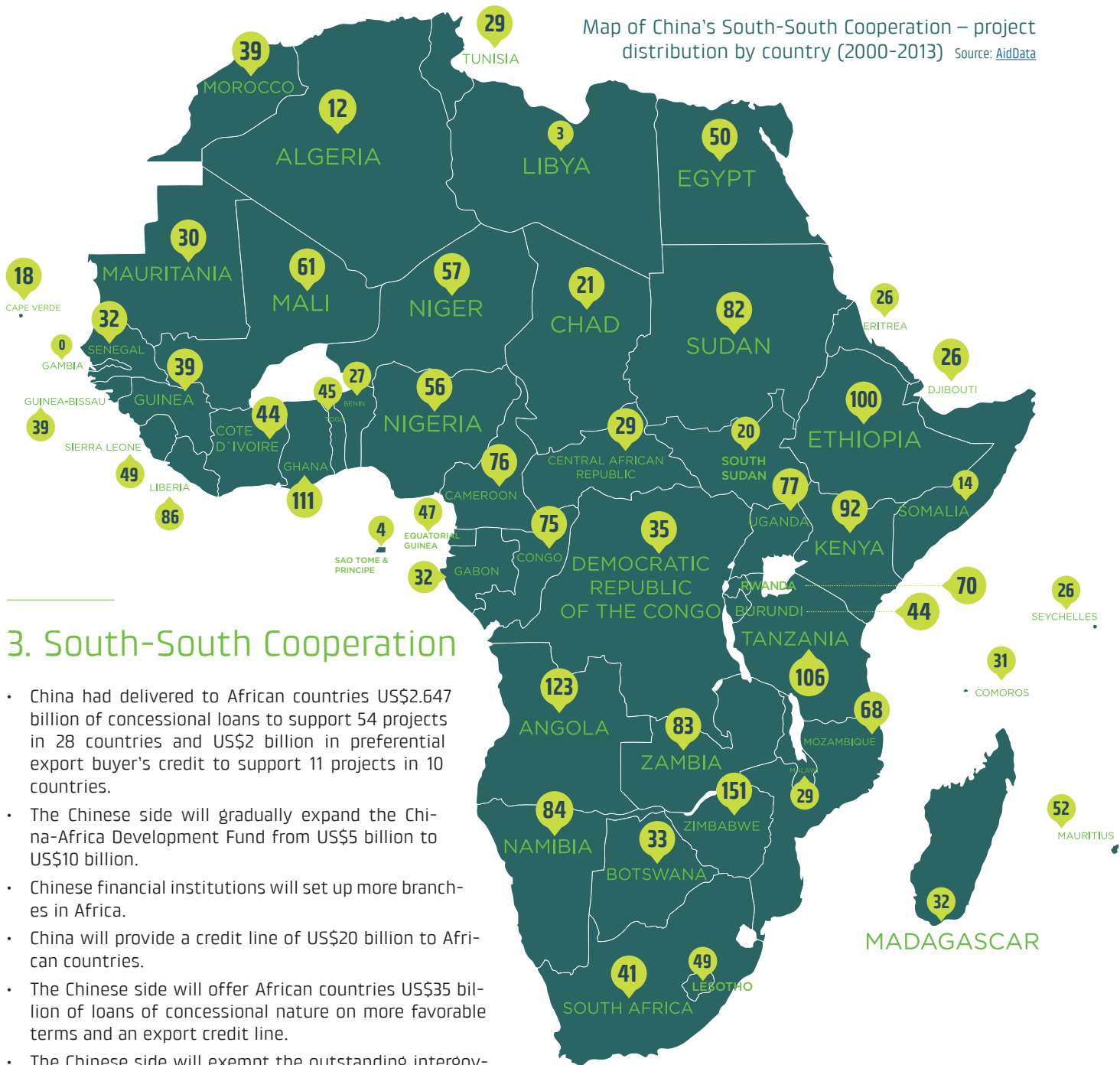
2. Foreign Direct Investment

- Total Chinese Foreign Direct Investment in Africa between 2005 and 2016 was estimated at US\$293.36 billion by the Heritage Foundation.
- The Chinese side will scale up its investments in Africa, and plan to increase China's stock of direct investment in Africa to US\$100 billion in 2020 from US\$32.4 billion in 2014.
- Construction is underway for the six Chinese overseas economic and trade cooperation zones in countries including Zambia, Mauritius, Nigeria, Egypt, and Ethiopia. These cooperation zones offer incentives such as tax holidays and import tax waivers to attract Chinese companies and other Foreign Direct Investments. Some of the zones have witnessed progress in attracting investment, with businesses moving in and production getting started. In addition to investment the zones are expected to provide employment and technology transfer to further economic development.
- Special loan of US\$1 billion for African Small and Medium Enterprises development will be gradually expanded to \$6 billion.
- The Chinese side will set up a China-Africa production capacity cooperation fund, with an initial pledge of US\$10 billion, to support China-Africa industry partnering and industrial capacity cooperation.

China's FDI in Africa by volume and distribution*

Source: [Heritage Foundation](#) *includes investments and construction





CULTURAL



- Increased the number of countries with Approved Destination Status for Chinese tourists to 26. In 2014, 9.4% of China's 100 million made Africa their primary destination. The increase represents an average growth rate of 50% every year since 2010 ([Xinhua, 2016](#)).
- Developed various art festivals with a specific focus on involving youth such as "Meet in Beijing" – an international art festival focusing on African arts and the "Voyage of Chinese Culture to Africa" and "Cultures in Focus" events and the China-Africa Youth Festival.
- A Women's Forum, sponsored by ACWF and Egyptian National Council for Women was held in October 2009 in Cairo. Women representatives from 28 African countries attended the forum and jointly released the Forum on China-Africa Cooperation – Women's Forum Declaration 2009, marking a new milestone in China-Africa women's cooperation.
- The Chinese side will establish ten major "Culture Training Bases for Africa" and execute the "One Thousand People Program" for culture training in Africa.

EDUCATION



- UNESCO established a one-to-one inter-institutional cooperation model – the 20+20 Plan for Chinese and African Institutions of Higher Education.
- The Chinese government will implement the "African Talents Program". In the next three years, China will train 30,000 African professionals in various sectors and offer 18,000 government scholarships.
- China will provide US\$2 million annually under the framework of the UNESCO trust fund to support education development programs in Africa.
- The Chinese side welcomes the inclusion by African countries of Chinese language teaching as part of their national education systems and will support more African countries in their efforts to establish Confucius Institutes and Confucius Classrooms.
- China provided training for 200,000 local African vocational and technical personnel and provided Africans 40,000 training opportunities in China.

China, FOCAC and the Environment

Environmental protection has been part of China-Africa cooperation since FOCAC was formed in 2000. However, the environment only became a focal point in 2012, at the fifth Ministerial conference, receiving its own section in the action plan. As trade and investment in Africa increase, there will be a greater need to monitor damage to the environment and the loss of biodiversity. Development and rapid urbanization will create greater needs for urban infrastructure, food, water and employment. Africa's population is the most susceptible to climate change with a large population, poor soil quality and water scarcity ([Burgess, 2012](#)). Africa will need to balance sustainable development efforts with economic growth and poverty alleviation.

FOCAC Action Plans

- Conference on China-Africa Cooperation in Environmental Protection.
- Set up the China-Africa Environment Cooperation Centre, and launch the China-Africa Green Innovation Project under the framework of "China South-South Environmental Cooperation-Green Envoys Programme".
- "China-Africa Joint Research Centre" project promotes cooperation in biodiversity protection, prevention and treatment of desertification, sustainable forest management and modern agriculture demonstration. The Chinese side will support Africa in implementing 100 clean energy and wild life protection projects, environment friendly agricultural projects and smart city construction projects.
- US\$2.89 billion for setting up the China South-South Cooperation Fund to support other developing countries to combat climate change, and enhance their capacity to access the Green Climate Fund.
- The two sides will encourage the establishment of a Ministerial Forum on marine economy under the framework of FOCAC.

Obstacles

Major obstacles to the successful development of China and Africa are the high levels of African debt, inequality and the economic downturn in China. The high levels of debt and interest repayment requirement compete with public spending on health and education. In many African countries, the level of debt inhibits social development and new infrastructure projects. The current trend has been to move from traditional lenders like the IMF to private creditors that preclude the possibility of debt forgiveness, posing a risk for Africa's future development ([Walker, 2014](#)). Further, current aid for social development may not be reaching the poorest populations for effective poverty alleviation. Studies have shown that aid disproportionately flows to regions with richer populations ([Briggs, 2015](#)).

The current economic downturn in China is also predicted to have consequences on the development efforts of the Forum. China's slowing growth has already affected commodity prices – Africa's primary export and market ([Pigato; Tang, 2015](#)).

Outlook/Prospects for the future

The current development strategies of China and Africa are highly compatible: China is working towards the Two Centenary Goals and Africa is implementing Agenda 2063 and its First 10-Year Plan. Africa will need to diversify their markets to become more competitive by reducing their dependence on commodity exports. China's investment in African countries represents a great opportunity for development of the continent, but needs to build on best practices and consider sustainability. Currently a lack of reliable data on China's FDI and development assistance to Africa is hindering a more comprehensive and effective approach.