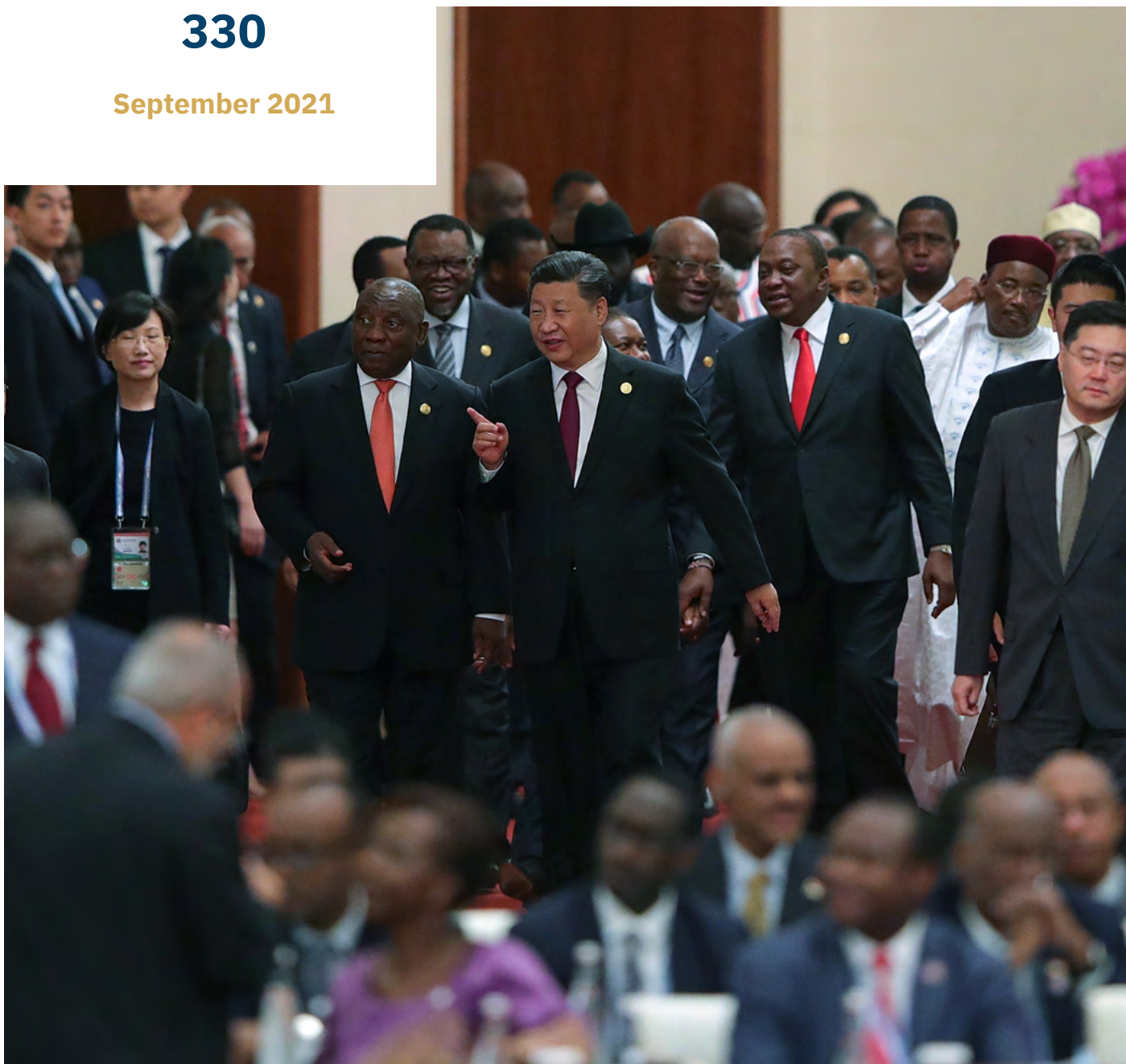


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## Mapping the Future of Africa–China Relations: Insights from West Africa

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African perspectives  
Global insights

# Abstract

The year 2020 marked two decades since the start of the Forum on China–Africa Cooperation (FOCAC). The past 20 years have seen China reshaping Africa’s development landscape while raising questions about the nature of African agency in relation to Chinese power. 2021’s FOCAC summit is the first to be held in West Africa. Regional powers have made massive strides in harnessing China’s power to boost their own development plans. However, much work remains to ensure that African agendas get the attention they need. This work takes on even more urgency in the wake of significant shifts in Chinese lending. This paper uses the newest summit as an occasion to take the temperature of the Africa–China relationship, with a specific focus on West Africa. It draws on interviews with a broad range of West African diplomats, policymakers and businesspeople to map the region’s priorities in its Chinese interactions. These include health, debt and cooperation on regional integration and economic recovery. It also makes suggestions on how the region can leverage its relationship with China to further its development goals.

Countries like Burkina Faso, Mali, Niger and Guinea are grappling to find sustainable solutions to challenges in a multi-crisis environment marked by an economic crisis induced by the pandemic and growing security threats

## Introduction

With preparations for the eighth edition of the Forum on Africa–China Cooperation (FOCAC) – the first to be held in West Africa<sup>1</sup> and the first to be held in a francophone African country – underway, this paper aims to interrogate what the organisation of this summit means for countries in the region in a pandemic context marked by a persistent sanitary crisis and a challenging economic recovery.

The upcoming FOCAC is likely to pay particular attention to cooperation agreements on health and economic recovery, and will be an opportunity to renew and establish stronger partnerships with China. Countries like Burkina Faso, Mali, Niger and Guinea are grappling to find sustainable solutions to challenges in a multi-crisis environment marked by an economic crisis induced by the pandemic and growing security threats. Various other priorities might also head the agenda, such as trade, security, the environment and climate change, and debt alleviation.

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<sup>1</sup> For the purpose of this paper, “West Africa” consists of the 15 ECOWAS member states: Benin, Burkina Faso, Cabo Verde, Côte d’Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

The overall agenda on Africa's economic transformation, led by the AU and the UN Economic Commission on Africa, is of particular importance given that China is Africa's main trading partner as a whole, despite the fact that several individual African countries have other Asian countries as their main trading partner.<sup>2</sup>

In a context of economic recession, security challenges are also likely to feature on the agenda. It is only since 2012, against the backdrop of uprisings in North Africa, that security has become an official policy area in Africa-China relations. Although bilateral military partnerships with several African governments were in place before then, it was at FOCAC 5 that the China-Africa Cooperative Partnership for Peace and Security was named by then Chinese president Hu Jintao as a strategic priority. In 2015 this was further elaborated at FOCAC 6, when security was elevated to one of the five foundational pillars in the China-Africa comprehensive strategic partnership.<sup>3</sup>

Although China is a relatively minor player in the African arms trade (China ranks fifth, behind Russia, the US, Germany and France), arms imports from China accounted for 17% of total African arms imports between 2013 and 2017, up 55% over the previous five-year period.<sup>4</sup> The drivers of this engagement are twofold. Firstly, China's greater involvement in Africa and exposure to conflict, insecurity, terrorism and potential political instability have increased the challenge of protecting its interests overseas, as well as the interests of Chinese state-owned and private companies. Secondly, China's security engagement is not only state-to-state but also involves Chinese firms engaged in hiring and training private security forces in African countries.<sup>5</sup>

Summit diplomacy usually consists of both high-level multilateral public meetings and parallel bilateral private meetings. Bilateral discussions around debt restructuring and/or debt alleviation are likely to take place privately between China and specific African countries, with the outcome of these to form part of the FOCAC communiqué. China is the continent's largest bilateral creditor, although there are stark asymmetries in terms of debt contracting among African governments. In West Africa, Nigeria, Ghana and Côte d'Ivoire have a higher indebtedness towards China than do Benin, Togo, Mali or Sierra Leone. With the economic crisis induced by the pandemic and the slow economic recovery, the risk of debt distress could increase should some West African governments not find appropriate ways to diversify their revenues. China's multi-faceted offer to the continent, which aims to meet the needs and expectations of African governments intent on encouraging economic growth and tackling poverty, will be at the core of FOCAC 8 discussions.

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2 UN Comtrade database; Heiwai Tang, Zhihua Zeng and Albert G Zeufack, "Assessing Asia: Sub-Saharan Africa Global Value Chain Linkages" (Working Paper, World Bank Group, Washington DC, 2021).

3 Lina Benabdallah and Dan Large, "China and African Security", in *New Directions in Africa-China Studies*, eds. Chris Alden and Dan Large (London: Routledge, 2018).

4 Stockholm International Peace Research Institute, "International Arms Transfers Level Off after Years of Sharp Growth; Middle Eastern Arms Imports Grow Most, Says SIPRI", March 15, 2021.

5 Benabdallah and Large, "China and African Security".

Based on interviews with senior West African policymakers and diplomats, as well as with private actors, this paper explores insights and perspectives from West Africa on the relationship with China and to what extent it matches national interests. The first section looks at trade, investment and security cooperation in the region, showing how this diversified offer has been more present in some countries than in others. The second section explores the key priorities of the FOCAC 8 agenda from a West African perspective, while the final section sets out policy recommendations on the ways in which West African nations can best profit from the summit.

## Exploring the West Africa–China relationship: Key figures and disparities

Until the early 1990s and 2000s, West African countries' trading partners were by and large Western. France was the key trading partner of francophone states like Mali, Benin, Côte d'Ivoire, Niger and Senegal, while anglophone countries like Nigeria and Ghana had strong trade relationships with the UK and US. China's re-engagement in Africa, coupled with its appetite for mineral resources and commodities, progressively transformed these relationships. China is now Africa's main trading partner and tops several African countries' list as their main partner in terms of imports.<sup>6</sup>

Asymmetries in the trade balance between West Africa and China can be explained by factors that are not specific to China. African countries tend to export raw materials and primary commodities, which are subject to external shocks and thus have fluctuating prices

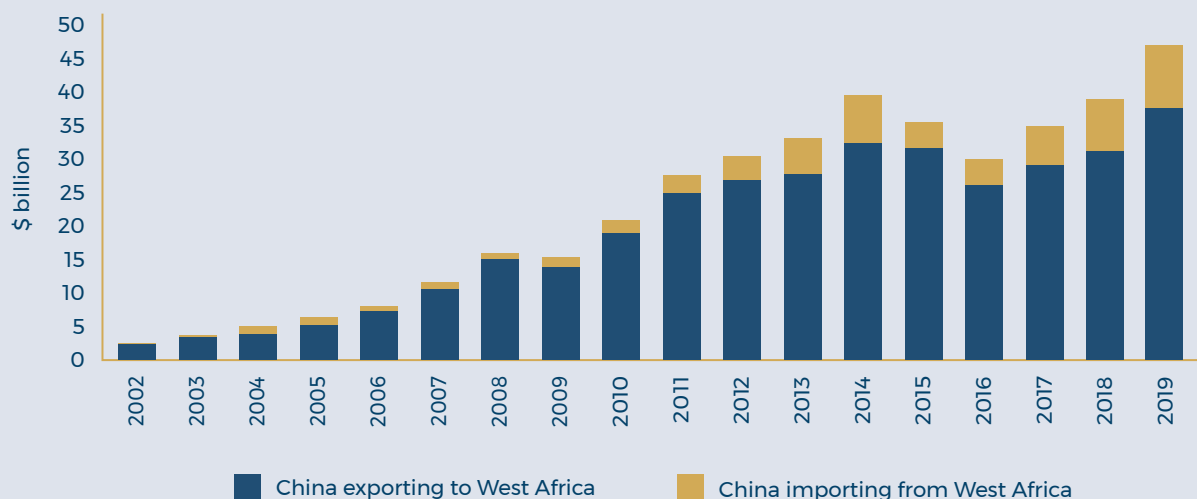
Yet, in keeping with a general pattern in Africa–China trade, the trade balance between West Africa and China is highly asymmetric, with West African countries importing more from China (\$37 billion in 2019) than exporting to it (\$9.63 billion in 2019). In the period from 2001–2019, of the countries exporting more to China, Nigeria (\$20.64 billion) and Ghana (\$13.84 billion) topped the list, while Cape Verde (\$0.46 million) and The Gambia (\$627 000) were at the bottom. A strong asymmetry also exists between anglophone and francophone nations. While anglophone Nigeria and Ghana are China's main trading partners (in terms of exports to China) in the region, francophone Benin (\$2.23 billion), Burkina Faso (\$1.94 billion), Côte d'Ivoire (\$2.65 billion), Mali (\$1.90 billion) and Niger (\$0.8 billion) export less to China. Senegal, the host of FOCAC 8, lags behind other countries

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<sup>6</sup> China-Africa Research Initiative, "Data: China-Africa Trade".

despite a stark increase in exports to China (from \$0.38 million in 2001 to \$300.98 million in 2019).<sup>7</sup> Asymmetries in the trade balance between West Africa and China can be explained by factors that are not specific to China. African countries tend to export raw materials and primary commodities, which are subject to external shocks and thus have fluctuating prices. Africa largely imports manufactured goods.

**Figure 1 West Africa–China trade, June 2021**



Source: UN Comtrade data compiled in China–Africa Research Initiative, “Data: China–Africa Trade”

Besides trade relations, China’s investments in West Africa have steadily increased. According to the UN Conference on Trade and Development’s latest world investment report, from 2015–2019 China was Africa’s fourth biggest investor (in terms of foreign direct investment [FDI]) after the Netherlands, the UK and France, with its investments increasing from \$35 billion in 2015 to \$44 billion in 2019.<sup>8</sup> But a sectoral distribution analysis shows that most of the investment resources are concentrated in sectors such as construction and mining. In the construction sector, Chinese investment stocks increased from 26.1% in 2013 to 30.6% in 2019. The mining sector represents 24.8% of Chinese investments in 2019, followed by manufacturing (12.6%) and financial intermediation (11.8%).<sup>9</sup>

In West Africa FDI flows have also been disparate, and some countries in the region attracted more flows than others. As with trade distribution, Nigeria and Ghana top the list of FDI recipients in West Africa, with a total of \$2.65 billion and \$1.55 billion respectively,

7 China–Africa Research Initiative, “Data: China–Africa Trade”.

8 UN Conference on Trade and Development, *World Investment Report 2021: Investing in Sustainable Recovery* (New York: UNCTAD, 2021).

9 UNCTAD, *World Investment Report 2021*.

between 2003 and 2019. Guinea and Niger follow with \$0.9 billion and \$0.62 billion, with most of these flows concentrated in large mining projects such as Chinalco's bauxite project in Guinea. Burkina Faso is at the bottom of the list with just \$10.25 million, which is partly due to the relationship between the two countries only being revived in 2018.<sup>10</sup>

West Africa's relationship with China has evolved over time and in different directions. While Nigeria, Mali, Côte d'Ivoire and Togo have always recognised Beijing; Benin, Liberia, Senegal and The Gambia (depending on the political regime in place) have shifted from recognising Beijing and adhering to the 'One China' policy to recognising Taipei and establishing formal relations with Taiwan. One of the last countries to establish diplomatic ties with China has been Burkina Faso. Following the death of president Blaise Compaoré, current President Roch Kaboré officially established diplomatic relations with China in 2018. Since then, Burkina Faso's relationship with China has resulted in China's contribution to the strategic priorities listed in the national development plan, namely projects in agriculture, health (services and healthcare infrastructure), infrastructure (energy) and humanitarian aid. As Burkina Faso is facing several challenges in a context of multi-crises (economic, security and social),<sup>11</sup> China's engagement has gone beyond economic engagement and includes involvement in security-related projects. In 2020 Burkina Faso's relations with China extended to military engagement, which took the form of military training, 72 scholarships for Burkinabe military students and officials in Chinese military schools (a programme from which Beninese,<sup>12</sup> Malian<sup>13</sup> and Nigerian military students also benefitted)<sup>14</sup> and a security agreement with the Group of Five of the Sahel via a partnership with the AU. In addition, 80 Burkinabe civil servants and representatives of civil society organisations received training sessions in China in 2018, a number that increased to 800 in 2019. Technology is also progressively becoming a pillar of this cooperation, with the recent launch of a new 'smart city' initiative named Smart Burkina, funded through an Exim Bank of China loan (\$94 million) and executed by Huawei and China International Telecommunication Construction Corporation. The project aims to improve Burkina Faso's communication infrastructure by installing a 650km optical fibre network and surveillance cameras in Ouagadougou and Bobo Dioulasso.<sup>15</sup> With West African governments increasingly looking to assert their digital sovereignty and increase digital surveillance, Chinese companies are also seeking to penetrate this market. For example, 'Smart Senegal', a new data centre in Diamniadio, has been launched with technical assistance from Huawei.<sup>16</sup>

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10 China-Africa Research Initiative, "Data: Chinese Investment in Africa".

11 Free Afrik Institute, "Faire face au COVID-19 dans un contexte de crises multiples" (Dealing with COVID-19 in a context of multiple crises) (Policy Brief, Free Afrik Institute, University of Ouagadougou, March 24, 2020).

12 Folashadé Soulé, "Connecting Security, Ideology and Economic Interests: China-Benin Military Cooperation", *West Africa Insight: Increasing influence – China in West Africa* 6, no. 1 (May 2021).

13 Lina Benabdallah and Daniel Large, "Development, Security, and China's Evolving Role in Mali" (Working Paper 2020/40, China-Africa Research Initiative, Washington DC, 2020).

14 Soulé, "Connecting Ideology and Economic".

15 Alice Thiombiano, "Projet Smart Burkina: la Chine prête 47 milliards de fcfa pour lutter contre l'insécurité" (Project Smart Burkina: China provides a loan of 47 billion FCFA for tackling insecurity), *Burkina* 24, June 8, 2021.

16 Dominique Mabika, "Le Sénégal se dote d'un data center de type tiers 3" (Senegal gets a tier-3 type data centre), *Financial Afrik*, June 22, 2021.

West African regional organisations are also involved in the China–Africa relationship. As West Africa’s principal regional organisation, ECOWAS engages directly with China via a strategic partnership. While this partnership is multi-dimensional, the provision of infrastructure and trade has taken a central role. In March 2018 the ECOWAS Commission and the government of China signed a memorandum of understanding (MoU) that included a \$31.6 million grant for the construction of the new ECOWAS Commission headquarters.<sup>17</sup> China also liaised with ECOWAS and national governments in coordinating Chinese troops in peacekeeping missions in Mali via the UN Multidimensional Integrated Stabilization Mission in Mali, and in setting up mediation efforts. In 2017 ECOWAS received a \$200,000 grant for peace and security capacity building in the region.<sup>18</sup>

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Overall, although West Africa’s relations with China vary from one country to another in terms of intensity and engagement, their multidimensionality makes the country a strategic partner for the region. The next FOCAC summit will likely cover these multiple themes via collective and bilateral discussions. However, common priorities for West African nations such as health diplomacy, access to vaccines, Africa’s economic recovery, regional integration and debt renegotiations are most likely to top the agenda.

## Key themes of FOCAC 8 from a West African perspective

### Health cooperation

The COVID-19 pandemic has put a spotlight on unequal access to personal protective equipment (PPE), access to vaccines and vaccine manufacturing, especially on the continent. In this context, health cooperation, including international health assistance, will most likely become a key and strategic topic on the FOCAC agenda and in discussions. During the early outbreak of the pandemic in Africa, China provided visible and active humanitarian assistance marked by speed, activism and considerable publicity. Traditional

<sup>17</sup> ECOWAS, “ECOWAS and China Sign Implementation Agreement for the Commission’s New Headquarter Building”, July 11, 2019.

<sup>18</sup> ECOWAS, “ECOWAS Commission President Tasks China On Regional Peace And Security, Receives \$200,000 Capacity Building Grant”, November 10, 2017.

state actors and non-traditional actors such as philanthropists Jack Ma and the Alibaba Foundation provided cargos of PPE – a move that has been dubbed ‘mask diplomacy’ or ‘corona diplomacy’. The Chinese government and state-owned enterprises (SOEs) also provided assistance via medical teams, both for their workers and for African health officials. The use of medical personnel is an evolution of Beijing’s relief efforts on the continent, which initially focused exclusively on the distribution of PPE and other medical supplies. It is important to note that in Nigeria, the cost of PPE and medical personnel was not underwritten by the central Chinese government but by the Chinese SOEs that currently operate there.<sup>19</sup>

With many African countries facing severe second and third waves, access to vaccines has become a central preoccupation of governments and international organisations such as the World Health Organization, which has accused developed countries of hoarding vaccines and creating a vaccine ‘apartheid’, and the World Trade Organization, which has campaigned for a patent waiver. Again, China was among the first countries to start sending vaccine donations to several parts of the world, including Africa, although Africa has received fewer of these vaccine donations than other regions such as Asia. Moreover, China’s global vaccine donations (40 million doses) represent only about 3.7% of global vaccine distribution, with the majority (1.064 billion doses) being sold to African, Asian and Latin American countries. A comparison of Chinese vaccine sales in various regions<sup>20</sup> also reveals that regions with greater strategic importance to China (like the Association of Southeast Asian Nations) outstrip Africa in terms of vaccine sales. This shows China’s vaccine diplomacy is intertwined with its strategic interests and business diplomacy.

A key focus of China’s COVID-19 diplomacy is bi-multilateralism: while it participates in multilateral initiatives such as COVAX,<sup>21</sup> through which it donates vaccines to Africa, it pursues parallel government-to-government relationships. Several West African nations have benefitted from its vaccine donations and have also purchased directly from Chinese vaccine manufacturers.<sup>22</sup> While Guinea topped the list with 0.7 million vaccines, Senegal (0.8 million), Niger (0.4 million), Nigeria (0.47 million), Benin (0.2 million), Sierra Leone (0.2 million), Togo (0.2 million) and Côte d’Ivoire (0.1 million) also received and/or bought vaccines from China.<sup>23</sup> Beyond such donations, vaccine production has also spurred vaccine business diplomacy for China. While the total donations so far amount to \$9 million in Africa, African nations have bought \$62 million of vaccines. Senegal, which received a donation of 300 000 vaccines, was one of the first African countries to start its vaccine rollout, and the first West African country to receive a first batch of 200 000 vaccines bought from Sinopharm. President Macky Sall became the first West African leader to be

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19 This was also the case in other African countries such as Algeria and Zimbabwe, where Chinese businesses donated \$500,000 to refurbish Wilkins Hospital, the country’s primary COVID-19 treatment centre.

20 Bridge Consulting, “China COVID-19 Vaccine Tracker”.

21 Africa has also been receiving Chinese vaccines through the COVAX initiative. As of September 2021, China has delivered a total of 56 million doses to Africa, out of the 86 million pledged. See Bridge Consulting, “China COVID-19 Vaccine Tracker”.

22 Bridge Consulting, “China COVID-19 Vaccine Tracker”. It does not provide disaggregated data on donations and purchases from African countries.

23 Bridge Consulting, “China COVID-19 Vaccine Tracker”.



vaccinated publicly with the Chinese vaccine.<sup>24</sup> Vaccine deliveries have also been targeted at specific groups.

The pandemic has offered other openings for growing security relations between West Africa and China, and between Africa as a whole and China. Many West African armies have been mobilised in the fight against the pandemic, and the military's infection rate is among the highest. As part of its vaccine assistance to armed forces, the Chinese People's Liberation Army has donated several batches to West African armies such as that of Sierra Leone.<sup>25</sup> There is also increasing demand from West African leaders, among others, to learn how the Chinese military has been mobilised and addressed the pandemic in Wuhan. Several trainings have been requested by African presidencies and ministries of defence as part of knowledge-sharing activities. This shows that health cooperation will likely intersect with the security sector and become a key pillar in relations between China and Africa via FOCAC.

Unequal access to vaccines highlights the lack of vaccine manufacturing capacity on the continent. Many African leaders have called for greater investment in African healthcare systems and increasing the capacity of African countries to manufacture vaccines themselves. Manufacturing facilities funded by China were launched in Egypt in 2021 with an estimated annual production capacity of 80 million vaccines (Sinovac), while another facility is being set up in Morocco. China is not the only partner providing support for vaccine manufacturing on the continent. Senegal was the first African country to leverage support from European countries (Germany, France and Belgium), the European Commission (via Team Europe) and other partners, including the US and the World Bank, for the construction of a facility to manufacture vaccines.<sup>26</sup> However, compared to Latin America, where four manufacturing facilities will be set up (two in Brazil, and one each in Argentina and Mexico), Africa still lags behind.

As stated by Ambassador Mamadou Ndiaye, the Senegalese ambassador to China, health cooperation is a shared FOCAC priority that should go beyond vaccine deployment. Identifying concrete actions to build strong, sustainable healthcare systems and local pharmaceutical investment should be a priority, as should be training healthcare personnel and exploring opportunities for trilateral cooperation in health in Africa. These priorities have been identified by Senegal, as well as other West African and African nations, and could be included on the FOCAC 8 agenda.<sup>27</sup>

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24 Other West African leaders such as Ghana's Nana Akufo-Addo, Nigeria's Muhammadu Buhari and Benin's Patrice Talon also got publicly vaccinated with Astra Zeneca (via COVAX) in a move to address vaccine hesitancy.

25 "China's PLA Provides COVID-19 Vaccines to Sierra Leonean Army", *CGTN*, March 26, 2021. Apart from Sierra Leone, donations to African armies include those of Sudan, the Republic of Congo and Equatorial Guinea.

26 This forms part of the Team Europe Initiative on Manufacturing and Access to Vaccines, Medicines and Health Technologies in Africa, aimed at reducing Africa's dependence on 99% imported vaccines and bolster production in Africa. Institut Pasteur de Dakar is set to host the regional manufacturing hub. European Commission, "Republic of Senegal and Team Europe Agree to Build a Manufacturing Plant to Produce Vaccines Against COVID-19 and Other Endemic Diseases", Press Release, July 9, 2021.

27 The China-Africa Project, "Q&A: Is China Really Delivering for Senegal In the Fight Against COVID-19?", May 13, 2021.

However, health cooperation should be about more than manufacturing and providing access to vaccines. Beyond vaccine diplomacy, several West African nations have called for a multi-dimensional approach to health cooperation that includes healthcare infrastructure, training and knowledge exchange. In addition to donations, Senegal and Burkina Faso benefitted from the assistance of Chinese medical experts in April 2020 through knowledge-sharing sessions. Health cooperation between Burkina Faso and China includes healthcare infrastructure projects such as the construction of the university hospital centre in Bobo-Dioulasso, Burkina Faso's economic capital and second most populous city after Ouagadougou; and the refurbishment of sections of the university hospital centre Yalgado Ouédraogo in Ouagadougou.<sup>28</sup> A renewed focus on social infrastructure is needed – a call also made by regional banks like the African Development Bank (AfDB), which has said that China's funding to Africa could shift towards solving immediate social infrastructure needs in response to COVID-19.<sup>29</sup>

West African nations have called for a multi-dimensional approach to health cooperation that includes healthcare infrastructure, training and knowledge exchange

## Economic recovery and regional integration

While Africa has had lower COVID-19 mortality rates than other continents, the economic shock has been stronger, and the continent is facing its first recession in 50 years. Africa's economic growth contracted by 2% in 2020, leading to 40 million people falling into extreme poverty. Several countries have set up economic recovery policies and strategies to address the crisis. Senegal, for example, has restructured its national development plan to include specific policies and financial packages to address the consequences of the economic crisis.<sup>30</sup> Economic recovery from COVID-19 in Africa will require a trade boost, as it had COVID-19-related border closures and restrictions on production and mobility. One solution to economic recovery that has been advanced, even in the pre-pandemic era, has been furthering regional integration in Africa. This is seen as a response to the difficulties faced by a continent with many small national markets and landlocked countries needing access to the sea. As a result, African governments have concluded a large number of regional integration arrangements, several of which have significant overlap in membership. Regional integration has both trade and economic purposes, and is a political project to

28 BM Sidwaya, "Chine Express: Relations sino-burkinabè", Sidwaya Info (Blog), June 14, 2020.

29 African Development Bank, "China's Infrastructure Financing in Africa: Stylized Facts and Impact of Covid-19", *Africa Economic Brief* 12, no. 8 (2021).

30 Folashadé Soulé and Camilla Toulmin, "Felwine Sarr: The COVID-19 Crisis Demonstrates the Need to Change Track and Re-Think the World of Tomorrow", Institute for New Economic Thinking, June 16, 2020.

achieve critical mass on the global stage. It is also considered to be a critical part of the continent's industrialisation strategy, as this can create a large enough market for certain industries, and offer ways to pool the generation and distribution of power, gas, etc.

In light of this, the African Continental Free Trade Area (AfCFTA) is seen as a valuable tool for stimulating economic activity and regional integration when it becomes operational. Initially agreed on in March 2018, the deal aims to create a single market across Africa – the largest free-trade area in the world. The AfCFTA requires members to remove 90% of tariffs on goods, facilitate the movement of capital and people, and take steps towards creating an Africa-wide customs union, which proponents say will significantly boost regional trade. Once fully operational by 2030, the AfCFTA is expected to cover a market of 1.2 billion people with a combined gross domestic product of \$2.5 trillion.<sup>31</sup> However, the actual scale of flows is subject to considerable uncertainty. Some intra-African trade may be subject to double counting, while other forms of trade are likely to be underestimated due to the prevalence of informal flows.

As a region where trade integration tends to be more advanced than elsewhere, due to the relatively free flow of people and merchandise, West African nations consider free trade a key policy in the advancement of regional integration. As Africa's main trade partner, China has shown support for the free trade initiative, considering it a win-win solution. However, there is also a potential for trade tensions. The import of cheap Chinese goods has had a negative impact on sourcing from neighbours. This has been the case in countries such as Kenya, where cement exports to its East African neighbours have been low due to an influx of cheap Chinese cement. Over the past 10 years, Tanzania and Uganda have increased their imports from China by 60% while sourcing just 4–6% of industrial products from Kenya. This has led to concerns among business leaders about the impact of the AfCFTA on businesses. Moreover, the free trade deal does not include a common external tariff, which means each country has to decide what duties it will impose on Chinese goods.<sup>32</sup> In the West African context, textile imports from China is one contentious issue<sup>33</sup>, among many others. For several years cheap Chinese textile imports have been a source of tension, since this competes with locally produced textiles sold by West African women. Despite regulations' forbidding more than a certain percentage of imported Chinese textiles, their presence is still strong in local markets, which shows a lack of enforcement of national regulations.<sup>34</sup>

There is also a potential for trade tensions. The import of cheap Chinese goods has had a negative impact on sourcing from neighbours

31 AU, "African Continental Free Trade Area: About".

32 Ray Mwareya and Nyasha Bhubo, "Will China Help or Hurt the AfCFTA?", *The Africa Report*, February 2, 2021.

33 "Unions Discuss Revival of the Textile and Garment Sector in Africa", IndustriAll Union, July 15, 2021.

34 Guillaume Moumouni, "Domestic Transformation and Change in Sino-African Relations", in *China and Africa: Building Peace and Security Cooperation on the Continent*, eds. Chris Alden et al. (London: Palgrave Macmillan, 2018), 225–251.

Yet Chinese merchants are not the only ones selling these goods – increasingly, African businesspeople travelling to China and placing orders via Chinese e-commerce platforms are responsible for the presence of such goods in West African markets, and they participate in making the import of Chinese goods an ‘African business’.<sup>35</sup> Hence West African leaders need to agree on what to do to protect and support local producers; a task that requires collective coordination and negotiation on issues where China and Africa’s interests are in competition.

China has expressed specific support to the AfCFTA via trade facilitation and infrastructure building (to facilitate trade). Infrastructure provided by China could take the form of transport corridors in support of Africa’s industrialisation agenda. Intra-regional railway projects such as the Benin-Niger railway, which is currently under discussion with Chinese contractors and funders, are key to the success of the regional integration agenda.

## Debt renegotiations

China is Africa’s largest bilateral creditor. However, it might become more reluctant to provide loans<sup>36</sup> in the face of certain borrowing countries’ high debt ratios – a situation made worse by the pandemic, which has caused several African countries to renegotiate their bilateral debt with China. It is important to note that the proportion of Chinese lending versus Eurobond and other lending differs from country to country. While many African countries have a debt problem, a smaller proportion of them have a specific Chinese debt problem. Chinese financiers committed \$153 billion to African public sector borrowers between 2000 and 2019. At least 80% of these loans financed economic and social infrastructure projects, mainly in transport, power, telecoms and water.<sup>37</sup> In 2019, three of Africa’s top borrowers were West African: Ghana, Nigeria and Côte d’Ivoire. In as early as 2013 Ghana and Nigeria were among Africa’s top borrowers from China. Nigeria is also one of China’s largest bilateral borrowers in the region. Commitments to Nigeria in 2019 include approximately \$400 million in Exim Bank loans to finance new phases of existing airports, and a commitment from China Development Bank to Lekki Port’s Lekki Free Trade Zone Enterprise Limited, a public-private partnership project. In the case of Côte d’Ivoire, Chinese lending to the government increased after the 2011 political crisis, and its commitments include \$290 million for the Gribo-Popoli 112MW hydropower project and \$284 million for a 12-city drinking water supply project, both from Exim Bank, as well as a \$97 million commitment for an industrial zone.<sup>38</sup> In Ghana, a resource-backed loan is financing road projects with approximately \$550 million from a second credit, backed by bauxite and arranged through one of China’s major engineering, procurement

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35 Antoine Kernen, “L’Afrique face à la puissance économique de la Chine” (Africa and China’s economic power), *Politique africaine* 134, no. 2 (2014): 5-19.

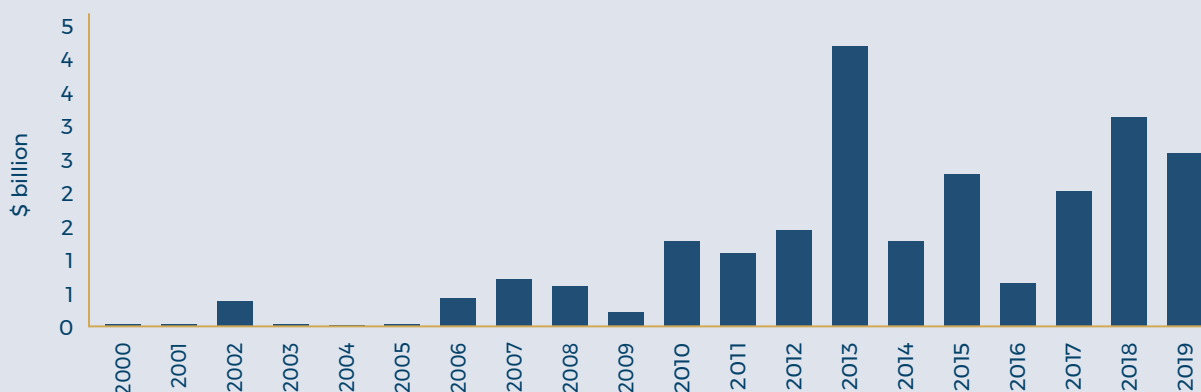
36 This is exemplified by the decreases in Chinese lending, especially from China Exim Bank and CDB. See Kevin Acker, “Chinese Lending to Africa Slowed in 2019, But Don’t Rule Out a Revival”, Global Development Policy Center, Boston University, April 12, 2021.

37 China-Africa Research Initiative, “Loan Data”.

38 Kevin Acker and Deborah Brautigam, “Twenty Years of Data on China’s Africa Lending” (Briefing Paper 4, China-Africa Research Initiative, Washington DC, 2021).

and construction contractors, Sinohydro. The loan is structured as a deferred payment agreement, whereby Sinohydro agrees to source financing for the roads. The Ghana Integrated Bauxite and Alumina Development Authority, a governmental entity, will repay Sinohydro from an escrow account into which revenues from refined bauxite exports will be deposited.<sup>39</sup> These examples show that the region's relationship with China has seen rising debt contracting for infrastructure finance.

**Figure 2 Chinese loans to West Africa, April 2021**



Source: Data extracted and compiled from China-Africa Research Initiative, "Loan Data" +

The COVID-19 pandemic has lengthened the list of developing and emerging market economies in debt distress. Default rates are rising, and the need for debt restructuring is growing. New challenges may hamper debt workouts unless governments and multilateral lenders provide better tools to navigate a wave of restructuring. In the African context, discussions with China around debt restructuring have been ongoing. FOCAC is one of various multilateral initiatives where talks about debt restructuring and cancellations are taking place. The G-20 Debt Service Suspension Initiative (DSSI) framework, for example, aims to bring creditors – including China – into an agreement to rework the debt of countries in danger of defaulting. China has been called upon to do more, given that it is Africa's biggest bilateral creditor. China has participated in the G20 DSSI, but has also opted for parallel government-to-government discussions on debt restructuring and non-commercial loan cancellation. This bi-multilateral approach has been criticised by some West African leaders, as it is not in their interest to have a double-track discussion on debt cancellation. Ghana's Finance Minister Ken Ofori-Atta, who chairs the [World Bank Group Development Committee](#) (a ministerial-level forum that advises the World Bank and the International Monetary Fund on development issues), voiced his concern that China's

39 Acker and Brautigam, "Twenty Years of Data".

approach to debt negotiations was making ‘Western creditors reluctant to offer concessions for fear that released resources will simply be transferred to Beijing’.<sup>40</sup>

## Local actors and African citizens increasingly express concern regarding their countries’ indebtedness to China

Debt contracting by African governments from China is not exclusively a governmental concern. Local actors and African citizens increasingly express concern regarding their countries’ indebtedness to China. In Nigeria, several parliamentarians have asked for greater scrutiny of Chinese loans contracted by the central government. Although some of these concerns were exaggerated and politicised, they are still a manifestation of larger concerns around a lack of transparency and increasing debt. This prompted Nigeria’s Debt Management Office to publicly release information about Chinese loans to Nigeria.<sup>41</sup> Shifting popular perceptions on Africa–China debt have also been revealed by the 2020 Afrobarometer survey. Based on data from 18 countries, it showed that 48% of African citizens were aware of Chinese loans or financial assistance to their country. Among those who said they were aware of such assistance, more than 77% were concerned about loan repayment and 58% thought their governments had borrowed too much money from China. A total of 68% of Ghanaians and 63% of Guineans surveyed thought that their respective governments had borrowed too much from China.<sup>42</sup>

The African Development Bank (AfDB) has also called for enhanced monitoring of the debt implications of infrastructure financing, where both the relevant African state and China closely monitor the debt implications of infrastructure financing and strengthen the assessment of development outcomes of large-scale infrastructure investments on the continent to avoid oversized projects.<sup>43</sup>

As a key multilateral forum for Africa–China relations, it is likely that debt restructuring and a collective approach to debt talks will be part of the FOCAC discussions. If West African countries are to benefit from the upcoming summit it is crucial to reinforce the region’s preparedness and more effectively involve non-governmental actors in the summit proceedings in order to address their specific concerns.

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40 “China Must Step Up on Africa Debt Relief, Ghana Finance Minister Says”, *Reuters*, April 7, 2020.

41 Government of Nigeria, Debt Management Office, “Facts About Chinese Loans to Nigeria”.

42 Afrobarometer, “Africans’ Perceptions About China: A Sneak Peek from 18 Countries”, Snuffy Smith’s Blog, September 3, 2020.

43 AfDB, “China’s Infrastructure Financing”.

# How West African nations can best profit from FOCAC 8

As a multilateral forum, FOCAC's overarching objective is to coordinate cooperation between Africa and China. Senegal as co-host coordinates African positions at the summit, in collaboration with AU. From interviews with Senegalese and other West African diplomats in charge of preparing the summit, health cooperation, infrastructure funding and regional cooperation will most likely top the agenda. In addition, questions related to security and 'new' questions such as climate change will be a bigger part of the conversation than at previous summits. For Senegal, the priority is mitigating the effects of the pandemic and building on the extraordinary China-Africa summit organised by China in July 2020 on the fight against COVID-19. Beyond bilateral preoccupations, it is important for Senegal as co-host to reflect – and for West African governments to better represent – collective African concerns. This requires extensive preparations for the discussions at the summit and for associated non-governmental actors to reflect the concerns of various populations and private actors.

## Prepare better: How to reinforce West Africa's preparedness

Preparation for and coordination by African states for the FOCAC 8 summit usually take place at two levels. Firstly, African permanent diplomatic missions in Addis Ababa coordinate and discuss all the issues that should be placed on the agenda, in collaboration with the AU. FOCAC's [Beijing Action Plan 2019-2021](#) already has several priorities that might now change with the pandemic. Secondly, African diplomatic missions in Beijing coordinate via the Africa Group coordination unit and in collaboration with the permanent AU representation in Beijing. At national and regional levels, Senegal mobilises regional groupings such as ECOWAS. As the format of FOCAC 8 will be hybrid (a combination of virtual and on-site meetings), all five presidents of the African regional economic communities (RECs) are expected to participate.

Although this multi-level organisation is efficient at mobilising African representatives at various levels – from national to regional – its format is still exclusively diplomatic and does not always reflect more local concerns. With regard to infrastructure projects, for instance, recurring concerns regarding a lack of transparency and, in some cases, non-compliance on the part of Chinese contractors in terms of national norms and regulations (labour, construction and/or environment) reported by technical ministries are not always reflected in national positions. This relative lack of inclusion is often also due to a hasty process. As mentioned by a Beninese diplomat based in Cotonou, there is not always enough time to provide input or amend the African draft agenda submitted by diplomats in Addis Ababa and the AU. As a result, some local priorities and common concerns are not included

or discussed collectively ahead of the summit.<sup>44</sup> A workshop on Africa–China infrastructure negotiation practices in Cotonou in October 2019 for senior West African officials in charge of negotiating and discussing technical and financial details revealed various concerns related to norms compliance, sustainability and transparency. These tended to be common to several West African countries, and occurred despite the good relations between China and Africa.<sup>45</sup> Bringing these common concerns to the preparation rounds of the African agenda ahead of FOCAC would allow discussions to move beyond the usual diplomatic exchanges.

In order for individual concerns, similar or not, to be better reflected, it is important to give more power to regional economic organisations such as ECOWAS. At the extraordinary Africa–China summit on COVID-19, African RECs played this coordination role via the African heads of state acting as their rotating presidents. Empowering ECOWAS to reflect these concerns – in addition to those expressed by individual member states – could be an advantage for African nations.<sup>46</sup> It could, for example, more effectively voice concerns about Chinese markets’ openness to local African products. While some West African countries already benefit from preferential market access for their goods in China (Senegal, as the main global producer of peanuts, exports 35% of its harvest to China), this is not the case for all. Currently, only 445 African goods have such preferential market access in China. Advocating for enhanced preferential market access could be one of ECOWAS’s priorities for China’s relations with the region.

While individual member states compete for access to Chinese finance, it is necessary to move beyond opportunism at the bilateral level and find a more strategic regional approach that could be led by ECOWAS

Several African governments have pledged to come up with a ‘China strategy’ to better organise their relationship with China. West African governments could enhance the current coordination mechanisms by reinforcing the role of ECOWAS at the subregional level, which could create a spill-over effect. As suggested by a Senegalese senior policymaker in the Economic Foresight Office in the Senegalese Presidency, while individual member states compete for access to Chinese finance, it is necessary to move beyond opportunism at the bilateral level and find a more strategic regional approach

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44 Beninese diplomat at the Asia Department, Ministry of Foreign Affairs and Cooperation, Benin Republic, interview by Folashadé Soulé, April 2021.

45 Hervé Lado and Folashadé Soulé, “Tips for African Negotiators Doing Deals with China: Rebalancing Asymmetries”, Natural Resource Governance Institute, (Blog), February 25, 2020.

46 For a detailed assessment of how RECs in Africa could play an enhanced role in an African strategy towards China, see Faith Mabera and Philani Mthembu, *Africa-China Cooperation: Towards an African Policy on China?* (London: Palgrave MacMillan, 2021).



that could be led by ECOWAS.<sup>47</sup> This was suggested in 2017 by the then president of the ECOWAS Commission, Marcel de Souza, who called for a more holistic framework in dealing with China's activities in the region and more specifically with ECOWAS, in order to plan appropriately.<sup>48</sup> West African states could empower specific entities such as the ECOWAS commissioner in charge of political affairs, peace and security, who could better play this liaison role regarding member states' requests and grievances. Beyond this coordination role, RECs like ECOWAS could also play a bigger role in setting norms around lending, especially in terms of the pro-active disclosure of loan terms following the example of Cameroon, where national regulations require that loan contracts be made public. This could be done in collaboration with the AfDB, which recently called for more transparency in disclosing the terms of official loans contracted by African member states from China.<sup>49</sup> This norm-setting role could give voice to recent concerns around debt distress and a lack of transparency among Nigerian parliamentarians<sup>50</sup> (despite the small share of Chinese debt in their total debt portfolio) and, more generally, to popular concerns around excessive lending from China, as expressed in the Afrobarometer survey results.<sup>51</sup>

Apart from empowering RECs and giving a bigger role to African institutions beyond the current coordination role, African governments could also integrate more non-state actors in their relationship with China.

## How to better include non-state actors

Official China-Africa relations are largely organised bilaterally. Yet this strategic relationship also affects non-state actors such as private and civic stakeholders that either benefit or lose from China-Africa engagement. In the West African context, several small and medium enterprises do business with China and can contribute on the various ways in which this relationship could better reflect West African merchants' interests. African corporations involved in infrastructure building also often voice concerns around the low percentage of local content included in infrastructure contracts executed by China. While some countries like Ghana systematically include 15% local content in infrastructure contracts,<sup>52</sup> others do not. Ghana also invites corporate representatives to negotiations, which allows for a better representation of their interests.<sup>53</sup> Indeed, an association of corporate and private actors, whether large African corporations or small and medium enterprises, allows for a better representation of interests. Such a practice could be emulated by other West African states at both the national and regional level, which would allow greater representation of corporate actors' interests and grievances in the Africa position submitted at FOCAC 8.

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47 Senior director at the Economic Foresight Office, Presidency of Senegal, interview by Folashadé Soulé, June 2021.

48 ECOWAS, "[ECOWAS Commission President Tasks China on Regional Peace and Security, Receives \\$200,000 Capacity Building Grant](#)", November 10, 2017.

49 AfDB, "China's Infrastructure Financing".

50 Business Traffic, "[Nigerian Parliament Sets Up Inquiry into Chinese Loans to Nigeria](#)", May 13, 2020.

51 Afrobarometer, "Africans' Perceptions About China".

52 Ghanaian senior diplomat at the Ministry of Foreign Affairs, Ghana, interview by Folashadé Soulé, May 2021.

53 Ghanaian senior diplomat.

Having West African and African corporate representatives take part in the summit via representatives of national business chambers, for instance, could also reflect their interests more effectively and give the summit a more inclusive dimension.

In addition, involving the private sector will be a learning opportunity for African governments. In several West African countries, private sector members deal directly with China. While the retail sector (manufactured goods and textiles) is most discussed, a new trend is seeing the African private sector engaging directly with Chinese contractors in large infrastructure projects. One recent example is the on-going 'Safar' railway extension and rehabilitation project in Touba (Diourbel), Senegal, executed by China Railways Senegal. Its objective is to facilitate the transportation of goods and persons to Touba by building and refreshing existing railways and stations. This four-year, \$122.02 million project is the first turnkey project that is entirely funded by the Senegalese private sector. It is driven by M&A Capital Group Senegal (an investment firm) and local banks,<sup>54</sup> with support from the Senegalese government. M&A Capital Senegal also signed an MoU with Grands Trains du Sénégal, the national railway company, as the project fits into the larger national strategy to extend railway infrastructure in Senegal, a priority expressed in the Senegalese national development plan. Negotiations with the Chinese contractor could be a learning opportunity for the Senegalese government, as several clauses in the contract include stipulations about local content, use of local materials, knowledge transfer and job creation<sup>55</sup> in a more specific and advantageous way than some Senegalese government contracts with Chinese contractors.

Besides better representing African corporate concerns and learning from engagements between China and the African private sector, it is also important to reflect popular and civic concerns, such as around environmental damage from Chinese projects, by promoting a more hybrid form of summitry. In Ghana, environmental activists are leading the charge against a \$2 billion China-funded (resource-backed loan) bauxite mine project in a pristine forest. Ghana has the world's fastest deforestation rate, and mining is a major factor in this.<sup>56</sup> In Sierra Leone, a local Chinese fishing plant is considered a risk in the potential destruction of a rainforest, depletion of fishing stocks, displacement of local populations and pollution of local marine ecosystems.<sup>57</sup> African officials and diplomats are not entirely unaware of these issues and share these concerns to some extent. A recent survey of African diplomats based in Beijing on their perceptions of China's contribution to the Sustainable Development Goals (SDGs) in Africa showed that they considered China to contribute the least to energy- and climate-related SDGs such as climate action (SDG 13) and clean water

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54 "Safar – Réhabilitation, Extension et Exploitation du Chemin de Fer Diourbel-Touba", M&A Capital, 2019 (internal document).

55 Senegalese diplomat and representatives of M&A Capital, Senegal, interviews by Folashadé Soulé, June 2021.

56 Nosmot Gbadamosi, "Activists in Ghana Lead Fight Against China-Backed Bauxite Mine in Pristine Rainforest", *South China Morning Post*, October 13, 2019.

57 Jevans Nyabiage, "Locals Fear Chinese Fishing Plant Threatens 'Environmental Catastrophe' in Sierra Leone", *South China Morning Post*, May 31, 2021.

and sanitation (SDG 6). The highest scores were attributed to China's contribution to other SDGs such as industry, innovation and infrastructure (SDG 9) and the eradication of poverty (SDG 1).<sup>58</sup>

Moreover, several lessons can be drawn from the latest Afrobarometer survey, both for African and Chinese government officials and for analysts of Africa–China relations. Government officials need to take these survey results into consideration, as they show that, although citizens mostly hold a positive view of Chinese influence, this has dropped since 2014, especially on policies related to loan contracting/reimbursement.<sup>59</sup> This can be explained by a lack of transparency and the persistence of the 'debt-trap' narrative, as well as accusations of national asset seizures.<sup>60</sup>

The extent to which these concerns make it to the official discussions remains unknown. By promoting a more hybrid and inclusive form of summitry that involves civil society actors and representatives ahead of and at the summit discussions, such popular concerns could be better integrated in the summit discussions.

## Conclusion

FOCAC 8 is taking place in a context where the continent is being viewed with growing interest by global players. In addition to China, several great powers and emerging partners are revisiting their Africa strategies or elaborating new ones, as exemplified lately by Finland's new Africa strategy.<sup>61</sup> Besides offering business and investment opportunities, African countries are considered potential allies in multilateral institutions. However, rival powers like the US and China also view the continent as an arena for competing geopolitical interests. In this context, it is important that African leaders exercise agency in a more collective way, going beyond individual interests. Managing great powers' rivalry in Africa first implies the establishment of clear policies and strategies to deal with these powers. In the case of China, this necessitates the establishment of China-capable bureaucracies<sup>62</sup> and involving the right expertise, as well as the multiplication of learning and exchange platforms bringing together African negotiators to share best practices. Regional organisations like ECOWAS could play this bridging role and be a vector for stronger regional cooperation in external relation management with China. Reflecting on the future of Africa–China summitry also implies that African countries 'take the best of both worlds' by promoting more trilateral or quadrilateral cooperation between

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58 Development Reimagined, "From China–Africa to Africa–China: A Blueprint for a Green and Inclusive Continent-Wide African Strategy towards China", June 2021

59 Afrobarometer, "Africans' Perceptions about China".

60 Deborah Brautigam and Won Kidane, "China, Africa, and Debt Distress: Fact and Fiction about Asset Seizures" (Policy Brief 47, China-Africa Research Initiative, Washington DC, 2020).

61 Ministry for Foreign Affairs of Finland, "Finland's Africa Strategy".

62 Irene Yuan Sun, Kartik Jayaram and Omid Kassiri, *Dance of the Lions and Dragons: How Are Africa and China Engaging, and How Will the Partnership Evolve?*, Report (New York: McKinsey, June 2017).

China and traditional partners. This is exemplified by the ongoing environmental project between China, France, the Netherlands and Senegal in the Baie de Hann to jointly tackle depollution.<sup>63</sup> Several infrastructure projects are also jointly carried out by Chinese and French enterprises, upon the request of African governments.<sup>64</sup>

In addition, bridging rivalry via various forms of collaboration is a way to mobilise additional pools of finance for large-scale projects and avoid project duplication. Organising and structuring better Africa-China relationships at the national and regional level is thus key in allowing West African nations – and African nations more generally – to get the most from this strategic partnership.

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63 Government of Senegal, National Department of Sanitation, “Lancement des travaux de dépollution de la Baie de Hann: Coup d’envoi de la reconquête de la splendeur d’antan”(Launch of depollution project in the Baie de Hann to restore its former splendour), October 27, 2020.

64 Thierry Pairault, “French and Chinese Business Cooperation in Africa” (Policy Brief 50, China-Africa Research Initiative, Washington DC, 2020).

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## Cover image

Chinese President Xi Jinping (C) with South African President Cyril Ramaphosa attend the 2018 Beijing Summit Of The Forum On China-Africa Cooperation – Round Table Conference at at the Great Hall of the People in Beijing on September 4, 2018 in Beijing, China (Lintao Zhang/Getty Images)

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