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China's Foreign Aid to Africa¹

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The Chinese first came to Africa in the Tang Dynasty and countless overseas sailings have been recorded in China's history. These ocean expeditions had mainly been recorded to engage in diplomatic gift exchange when they arrived in the overseas countries, such as to give the local people the Chinese silk and porcelain, and carry back their articles of tribute to the royal court. Nearly none of any colonial activities have been recorded in the history of the ancient Chinese exploratory sailing missions. The concept of national boundary was not very strong in the old Chinese cosmology, and the Chinese philosophy which was accepted by the feudal authorities had regarded that all the creatures under the sky are belonging to the Emperor, yet in different forms. Therefore the culturally-legitimate way to treat the overseas territorial should be under the friendship-based principle, and in a nominal term that the diplomatic relation with the "faraway land" can be established only if the others acknowledge their formal subordination to the China's Empire usually by "bow their head before the emperor" and then this relation should be maintained through the gift exchange on the general principle of reciprocity. In the history of China's overseas activities, such principles were kept and manifested in various forms. These principles have also represented the cultural rules of "peace is the best option" and "associating with benevolent gentlemen and befriending good neighbors" which are still embedded in Chinese peoples mind and making various kinds of impact on China's diplomatic policy even today.

China almost started their overseas aid to Africa at the same time with the West. During the 1950s, China launched their overseas aid to other countries when it began to receive large scale aid support from the former Soviet Union. China's aid at that time has been loaded with the core task of ideological-exportation. And the international aid industry led by the West was under the agenda of disseminating the modernization model and therefore also been bounded with strong ideological conditions. After the 1980s, China started to receive foreign aid from the West and at the same time adjusted its own policy on overseas aid by reducing the conditions on ideological conformity and giving more weight to the geo-political and economic considerations.

With the rapid growth in China's economy, China also increased the scale of its

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overseas aid in a steady manner, particularly that to Africa. This phenomenon has also attracted the wide attention from the international community. On the one hand, the international commentaries have given high credit to China's success in economic development and consider its experiences as valuable and relevant to the other developing countries. Mr. Zoellick, president of the World Bank, made a speech in the press release before the annual conference of the World Bank and IMF in 2007 in Washington, in which he praised on China's foreign aid and investment in Africa, and regarded China as a very important strategic partner in the international economic development, and the World bank will be very willing to establish a partnership with Beijing in the pursuit of global poverty eradication. He also called on the West to listen to the voice of the African countries and improve the aid quality in this area. Zoellick said, "China's investment in Africa can be very effective, it can help the African countries to develop its infrastructure facilities and help them to utilize the natural resources that they own."³ Mr. David Godwin, the senior researcher of the international resource programme in the Washington think tank, the Center of Strategy and International Studies (CSIS), has considered that China's contribution to African infrastructure construction was obvious, and China's aid on the road-building, bridge-building, school and hospital projects have generally gained high satisfaction rate, and many of the researchers in the West agreed on these conclusions.⁴

In addition, the *Financial Times* in the UK has commented that the "Beijing Consensus"⁵ is instrumental to the peaceful and smooth economic "take-off" in China. The core principle in the Consensus is to find one's own development strategy by starting from its actual situations. (Yu Keping, 2006) The "Beijing Consensus" has become more and more popular and brought hope to the world as it connotes the implications that every country can become powerful primarily based on its own strength and capacity. And this has also endowed China with new responsibilities and role in the pursuit of international development.⁶

On the other hand, there are also different voices and opinions on the implications of China's experiences and its aid effectiveness in Africa. Some researchers proposed the "China-threat theory" and pointed that China's aid to Africa has interrupted the due economic development and social stability in these countries. (Zhang Xiangdong, 2006) Sephanie Giry pointed that China's activities in Africa has impaired America's long-time strategy and effort to promote democracy in this area: to put it mildly, China's interference will complicate the process of democratization in Africa; or China will even destroy America's global anti-terrorism strategy and lead to the nuclear-weapon proliferation. (Stephanie Giry, 2004)

Some other researchers defined China's energy exploitation and market entry in

³ Cited from China's News net, <http://news.tom.com/2007-10-24/OI27/02847472.html>

⁴ same to 1

⁵ This article was published in the *Financial Times* on 7 May, 2004, and aroused extensive discussions on China's development model in the academic community.

⁶ People's net <http://theory.people.com.cn/GB/40557/54488/54490/3803030.html>

Africa as “neo-colonialism” (Ernest Wilson, 2006). Such an argument contains a three-fold connotation: First, China’s aid in Africa has the purpose to plunder on Africa’s resources. It considers that China’s increasing investment in Africa was mainly driven by the strategic need of its domestic economic development on raw materials such as oil and the non-ferrous metal; Secondly, to occupy the African market with cheap products. It argues that the low-cost products from China, particularly the increasing amount of textile goods export to Africa, have heavily impinged on the development of local industry and caused the bankrupt of local factories and large scale unemployment. Thirdly, to promote China’s development model to Africa. The famous unconditional aid from China to Africa, even to those so-called “aid rogue” countries, will hint the international agendas on democratization, human right, anti-dictatorship and anti-corruption movement promoted by the West in this area (He Wenping, 2006).

There are other researchers who regarded China’s diplomatic policy in Africa as a result of mixed agendas as its economic demand to involve Africa into the global system so as to contribute to its own modernization process, and its political need to have Africa’s support in the international organizations to resist the pressure and interferences by the West on Taiwan and human right issues, and the stand on anti-hegemonism in international relations. (Scarlett Comelissen, 2000)

As a matter of fact, China’s foreign aid policy has actually been influenced by many factors. First, China has the cultural tradition to “support the weak neighbors to resist their powerful enemies”. Such “great-nation” attitude is also partly due to the historical “center-periphery” geo-political and economic ecology in this area which was considered as the Majesty of China situated in the center and surrounded by the relatively smaller neighbor countries. Such “great-nation” attitude, together with nationalism and communism ideology brought in with the victory of China’s revolution, had eventually evolved into the theme motivation in China’s foreign aid policy during 1950-1970. Secondly, China’s convictions in its ideological choice and the value-laden anticipation to extend this model to the other areas. Thirdly, China’s own economic and political needs in the international system. These factors have played different roles in different period of time, but are always interweaved with each other and jointly formed China’s unique foreign aid scheme in parallel with that of the West.

1 The historical development of China’s foreign aid policy to Africa

The mainstream policy-orientations in China’s foreign aid also aim to meet the strategic goals in China’s foreign affairs as to keep the world peace, ensure the ultimate advantage of China, safeguard the national security, enhance China’s status in international communities and further develop a peaceful international environment; and the basic tenets as to avoid any political conditions on aid, pay great respect to the sovereignty of the recipient countries, help the developing countries to develop their economy with the aim to gain maximum economic and social benefit; and the

principles of serving for the overall external relations, serving for the needs of the economic construction at home, serving for the great unification agenda of the country; and the objective to establish a long-term, steady, comprehensive cooperative foreign relations on the principles of sincerity and friendship, equal mutual benefit, solid cooperation, mutual development and future orientation (Fu Daopeng, 2003). In the strategic considerations, to improve the foreign aid is also in accordance with the cardinal route of the China's Communist Party, and will be salutary to the realization of China's overall diplomatic strategy and enhance its political and economic effectiveness.

Box 1

Since the past 50 years, China's foreign aid has enforced the "eight principles", which include: first, equality and mutual benefit; second, try the best, without any political-conditions; third, win-win strategy for the mutual development. In pace with the evolvement of the domestic situations, China's foreign aid had made corresponding adjustments however within the scope of these principles. These adjustments were mainly on the weakening of ideological conditions, increasing attention on economic demands and the strengthening of humanitarian aid support. (Huang Meibo, 2007) In January 2006, the Chinese government has issued the "China's policy paper to Africa", which became the principal document in regulating the Sino-Africa relations. In November 2006, the Sino-African cooperation Forum was held in Beijing, in which President Hu Jintao put forward the "eight measures" in developing a new Sino-African strategic partnership, five of which were concerning on China's foreign aid.

These eight measures include: first, expand the scale of foreign aid to Africa, with the aim to double the aid quantity of 2006 in three years; Second, in the next three years, provide 3 billion USD favorable loan and 2 billion USD favorable export purchase loan; Third, to encourage and support China's enterprise to invest in Africa, establish the Sino-African Development fund, with the total funding amount up to 5 billion USD; Fourth, to support the unification of the African countries and its process of integration, input support to construct the African Union Conference Centre; fifth, exempt the interest-free debt expired before 2005 of the African countries with substantial debt and the poorest countries which have diplomatic relations with China; sixth, further open market to Africa, expand the number of tax-free commodities exported to China from 190 to 440 in the poorest African countries which have diplomatic relation with China; seven, establish three to five abroad economic and trading cooperation zone in the next three years in Africa; Eight, train 15 thousand African people in various professions. Send 100 senior agricultural specialist to Africa, set up ten agricultural technology demonstration center in Africa, build up 30 hospitals in Africa and 300 million RMB financial grant on the African Malaria prevention, to provide the Artemisia Apiacea and establish 30 Malaria-prevention center, send 300 young volunteers to Africa, build up 100 schools in rural area, and the quota on the Chinese government funded scholarship to African students increase from 2000 person/time to 4000 person/time before 2009.

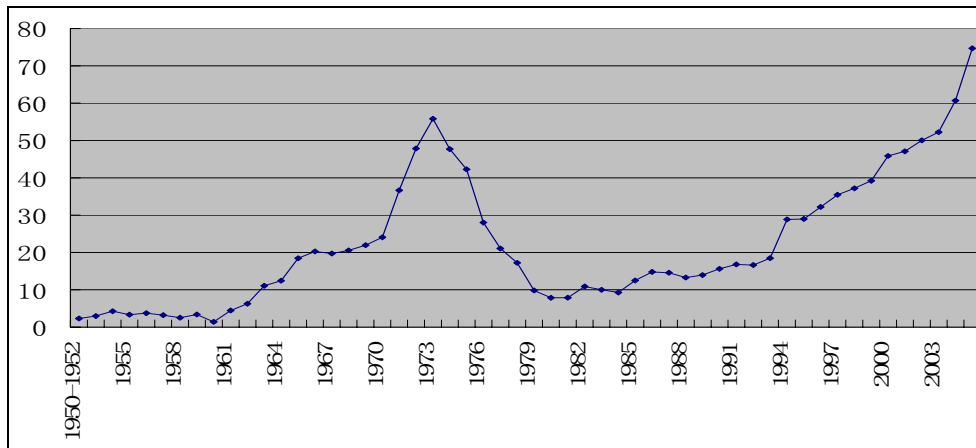
Chinese foreign aid started in 1950s. According to different criteria, researchers have divided the historical evolvement of China's foreign aid into different periods. Some researchers based on the change of domestic and international environment and the associate different agendas and advocacies of the three generations of leaderships, have divided China's foreign aid into three period of time: The first phase (1950-1978), China's foreign aid emphasized on the political purpose, with the main partner of national government, and the forms of aid tended to be unified, mainly of them were financial grant or interest-free loan; The second phase (1979-1994), as the opening

reform, China's foreign aid started to give more weight on the economic considerations, the proportion of the whole set equipment and technical assistance in China's foreign aid increased gradually, the target of these aid tended to be diversified, under the guidance of the government, the corporations and enterprises which are formally issued with the corporation certifications can also join in the foreign aid pursuit; the third phase (1995-now), the foreign aid has been primarily serving for the needs of the socialism economic construction, deepen the reform, the forms of foreign aid are mainly on government subsidized interest loan and cooperation and joint-ventures on projects, properly increase financial grant, no further interest-free loan under general situations, expand the targets of the aid, and encourage more certified corporations to participate in these overseas economic cooperation and technical assistance projects. (Zhang Haibing, 2007; Xiao Zongzhi, Zhang Derong 2002)

Other researchers based on the different characteristic of China's foreign aid in different historical period of time, have further divided the history of China's aid into five phases. The initial phase (1950-1963), the main recipient countries of China's foreign aid were the neighbors, and the policies, regulations and management institutions on foreign aid were preliminarily formed during this period of time; the developing phase (1964-1970), China proposed the Eight principles in foreign aid, and these aid cooperation became an effective instrument in strengthening the friendship with the developing countries; in the booming and backset phase (1971-1978), remarkable variations was shown both in the quantity and scale of China's foreign aid, the coverage of China's foreign aid has expanded to five continents in the world, and started to participate in the international multi-lateral aid activities; In the adjustment and initial reform phase (1979-1994), China stood from the practical situations of itself and the recipient countries, made adjustment and a series of reform on its aid scale, distribution, structure, the forms of aid and management portfolios, and more attention was given to the economic implications of the foreign aid; in the further reform phase (1995-now), in realize the diversification of foreign aid and expand the modes of resources of the aid fund, China further developed its reform measures on foreign aid, and make it an important channel to let the China's enterprise enter the international market and participate in the international economic cooperation. (Zhang Yuhui, 2006)

In this research, based on the international political economy and the variation on the scope of China's foreign aid, we divided its historical development into the following three phases.

Figure 1 Variations on the scope of China's foreign aid (Unit 100 million RMB)



Data resource: data on the period of 1950-1992 is cited from the PHD research by Fu Daopeng, "the Research on the Official Development Aid", p80; Data on the period of 1993-2005 is cited from the China's Financial Annals.

Phase I (1950-1974): the phase of political aid on ideology exportation. The founding of the new China marked the initial success on the fight against imperialism and feudalism in China. China has since then get rid off the status of semi-colonialism and semi-feudalism society, during this period, the land reform in China also gained its success, private ownership has been eliminated, women was emancipated from the previous lower social status, a series of social reform have made a good demonstration to those former colonies on decolonization. Meanwhile, the revolution in Latin America and the left-wing movement in Europe have all contributed to the international atmosphere to apotheosize the deed of China. China's foreign aid on the one hand served the purpose to gain the international support so as to solidify its own independence, and also engaged in the ideological exportation of China's experience on socialism construction, and to practice the obligation of proletariat internationalism, expand the communist camp and the afterwards competition with the ex-Soviet Union in gaining international support. Therefore, China continued its foreign aid to the other socialism countries and the nationalism countries in Asia and Africa irrespective of its own economic difficulties.

From 1950 to 1973, China's foreign aid had kept risen up both in terms of the total amount and its proportion in GNP and the financial expenditure in the corresponding period. The annual amount was 1.42 billion RMB. The total amount of foreign aid increased to 337 million RMB in 1959 from the average annual amount of 76 million RMB during the period of 1950 to 1952, which covered 0.23 % the the GNP at that time and 0.62% of the financial expenditure. In 1973, the total amount of China's foreign aid rose up to 5.584 billion RMB, which shared 2.05% of the GNP at that time and 6.9% of the financial expenditure. In the early years of 1950s, the main recipient countries of China's aid were in Asia. After the Bandung Conference (1955), the recipient of China's foreign aid has been expanded to some of the African countries.

In November 1956, the Chinese government gave financial grant with the amount of

20 million Swiss Franc in cash to the Egypt government to support their fight on the right over the Suez Canal. In 1960, the Chinese government agreed to assist Guinea to build match plant and cigarette plant, which was the first development project from China in the SSA area. In the late 1961 and early 1962, China sent seven agricultural specialists to Mali in helping their experiments on sugarcane and tea, which was also succeeded. In August 1965, China sent the investigation team to Africa to assess the feasibility of building the Tanzania-Zambia railway; in the late 1960s, China successively sent the medical teams to Tanzania, Somali, Congo, Mali and Guinea etc.

Until the early 1970s, the recipient of China's foreign aid came up to 32, which expanded from Asia, East Europe and Africa to Latin America. And the forms of these aid changed from previously mainly in kind and in cash to the lending of whole set equipment assistance and technical assistance. And the sending of medical teams to Africa. during this period, China has helped twenty countries to build up 313 whole set projects, particularly in the early 1970s in the Vietnam War, China provided more than 9 billion RMB aid to the Communist Party of Vietnam from 1970 to 1973. (Fu Daopeng, 2003) this made the total amount of China's foreign aid came up to 5.584 billion in 1973 and renewed the record on the annual scale of China's foreign aid since the founding of new China.

From the late 1950s to the early 1960s, there were significant changes in the international politics, particularly the break of the Sino-Soviet relation, which had caused great impact on China's diplomatic policy. China's foreign aid had started to shift its focus to mainly support the so-called "China-friendly" countries, and this has tinged the China's foreign aid with the characteristic of the geo-political needs based ideological exportation. And China also started to greatly increase its aid to Africa and preliminarily formed its aid policies and management portfolio with a clearer objective on ideological considerations. Under such strategies and policy orientations, foreign aid became an important instrument not only for the ideological exportation, but also for the competition with the former Soviet Union and gain its own international status, the foreign aid policies had then been bounded with heavy political considerations, and almost without any weight given to economic benefit, and the concrete forms of the aid were mainly defined by the needs and requests of the recipient countries.

Until 1970s, China has not really formed its own aid industry, if strictly following the definition set in the West, nor had it established its own concept and framework to provide the kind of modern aid with the objective to assist the recipient countries to reform its own social and economic institutions. We should acknowledge that although China's foreign aid had in itself the characteristic of ideological exportation ever since the very beginning, and with the overt prerequisite of "oppose the imperialism and colonialism", yet it did not set any clear conditions with its aid, nor did it have any demands on the economic gains. Therefore, its aid had not caused serious conflicts economically or politically in the recipient countries but had helped to gain great

international political capital and good reputations. And even in 1989, in which the relation between China and the West was somehow disturbed, China's foreign aid to Africa was not weakened.(Weiqun Wei, 1995) this has provided very good social psychological foundations in the Sino-African relation. Based on such a good historical record, the African people today also tend to take China's experience in development in a very positive manner, which is obviously a good foundation for mutual sharing and learning.

Table 1 Data on the amount of China's foreign aid in 1950-2005

(Unit: 100 million yuan RMB)

Phase	Year	Total Amount on Foreign Aid	Financial Expenditure	FA's Percentage in FE	Total GNP	FA's Percentage in GNP
I	1950-1973	326.77	9924.11	3.29	32885.70	0.99
II	1974-1990	296.69	27242.42	1.09	129022.60	0.23
III	1991-2005	584.48	209453.77	0.28	1209778.4	0.05

Data Resource: according to the previous chart

Phase II (1974-1990): adjustment and transformation phase in China's foreign aid. In the 1970s, influenced by the Cultural Revolution, China's national economy was almost ruined to collapse, and the actual financial strength was undermined greatly. In the late years of the Cultural Revolution, the whole situation was deteriorated by a series of political fights and natural disasters, such as the movement of opposing the right-wing; fighting against "Lin" and "Kong" advocacies and the serious earthquake in Tangshan city etc. These domestic difficult situations exacted the Chinese government's capacities and energies and made it impossible to deal with the international affairs in a systematic and sensible manner, and it also lost its clear strategic goal toward internationalization. In the early years of this period, the total amount of China's foreign aid decreased dramatically, and kept lingering at a low level in the 1980s.

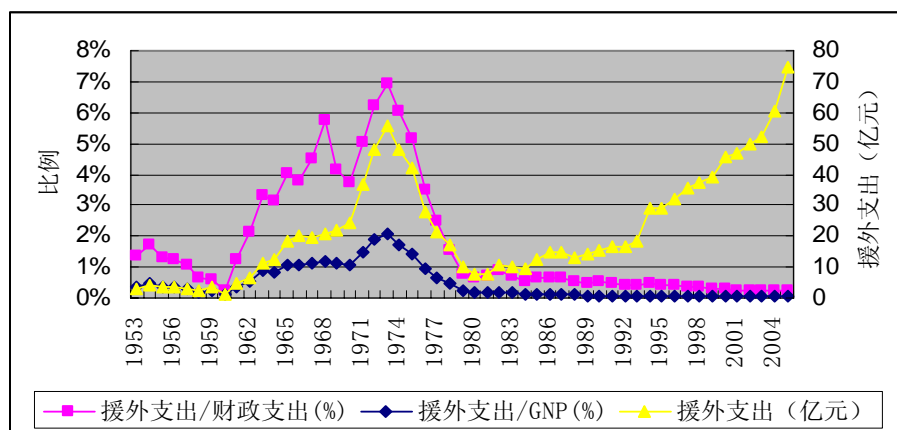
Both the total amount of the foreign aid and its proportions in GNP and the financial expenditure were all presenting a descending curve. these figures decreased from the total amount of 4.771 billion RMB, covering 1.71% of the GNP and 6.0% of the financial expenditure in 1974 down to 1.562 billion RMB of the total amount in foreign aid, covering 0.08% of GNP and 0.51% of the financial expenditure in 1990. during the same period, China's aid to Africa also decreased due to the same reasons. (Taylor, 1997) after the opening reform in 1978, China made adjustment in its diplomatic policies, and emphasized that the work on external relations should serve for the domestic modernization construction.

The Chinese government proposed the Four Principles in foreign cooperation in January 1983, which included "equality and mutual benefit, emphasize on the actual effect, diversification in forms, and mutual development". these principles have clearly

integrated the work on foreign aid into the national economic development strategy, China's aid will since then take on a practical manner and underline the economic considerations, and gradually abandon the previous aid policies which prioritized the need on ideological exportation. After 1978, China started to make adjustment on its foreign aid, it no longer provided the unconditional universal aid, but encouraged the mutual benefit and cooperation based on the actual capacity and necessity. It still sent medical teams overseas, but started to request the recipient countries to pay the living cost and the flight tickets for these aid workers, and no longer provided the free and universal medical equipments and medicines to the recipient countries.

Though these policies and measures, until 1990, China had provided the foreign aid to 96 countries, with increasing proportion on the whole set equipments, technologies and intellectual assistance, which counted for three fourth in the total amount of foreign aid. (Fu Daopeng, 2003) Meanwhile, it also took effort in exploring the new modes of aid on bilateral and multi-lateral cooperation and the joint ventures. In Africa, although the process of decolonization had almost been completed, yet its economic situation was still worsening, and the economic development has become the primary task in this area in place of the previous challenge on political issues. This had also made the objective request on the aid assistance to serve for its economic structure adjustment directly. During the same period of time, as the Chinese government was concentrated on the domestic affairs particularly in improving productivity and adjusting the productive relations, the foreign aid also can no long continue the previous focus on ideology. Even for the political concerns, aid work should also be more integrated into the overall national economic construction and benefit. This transformation in aid has indeed provided clear policy guidance for the large-scale China's aid to Africa in the 21 century (Zhang Hongmin, 2006).

Figure 2: Data on China's foreign aid from 1952 to 2004



Data resource: data on the period of 1950-1992 is cited from the PHD research by Fu Daopeng, "the Research on the Official Development Aid", p80; Data on the period of 1993-2005 is cited from the China's Financial Annals.

Phase III (1991-now): the phase of financial aid and technical assistance with

integrated-objectives. China's foreign aid had since 1990s entered a new period which emphasized on reciprocity and mutual benefit, economic benefits, the integration of the political interest and the obligations of a "big country". After the ending of the Cold War, in order to comply with the global trend, China has made reforms on its foreign aid, and increased the amount of the aid fund and expanded the coverage of recipient countries, it also made adjustments in concrete forms of its aid. During the period of 1991 to 2005, China's foreign aid expenditure had been soaring up. its rose from 1.68 billion RMB, with the proportion of 0.08% in GNP and 0.50% in financial expenditure in 1991 up to 7.47 billion RMB, with the proportion of 0.04% and 0.22% in GNP and financial expenditure respectively. And China had chosen Africa as the main recipient area of its foreign aid.

There are some reasons for these adjustments: 1. the rapid economic growth in China has made an increasing practical demand on raw materials and the associated enhanced attention on economic benefit. Under the trend of globalization, the amount of international trade increased which also requested that China's foreign aid can also play a positive role to assist China's "opening up"; 2. on the political aspect, in face of the criticism from the west, mainly from the U.S.A, on China's human right issues, Tibet issues, China needed to gain the support from the developing countries, as the African countries, particularly to gain the voting in the international organizations, which usually practice the "one country one vote" procedure, the role of African countries was of particular significance to China. In the 1989 event, almost no African countries followed the deeds of the west to put sanctions on China, this should also be seen as the post impact of China's foreign aid. (Scarlett Cornelissen, 2000) 3. along with the increase of China's national strength, China should also bear the obligations on foreign aid as a "big country", set in the international communities. 4. China has made remarkable achievement in its opening reform and economic adjustment, which has gain extensive interests in the developing countries, they hope to share China's experiences though the technical assistance in China's foreign aid.

During this period of time, the Chinese government mainly concentrated the foreign aid on the middle to small scale projects in the local area which could both match their needs and realistic to the resources that they had. It also started to adopt the idea of multi-lateral cooperation to promote the development of the recipient countries. In this period, the kind of aid in the form of whole set equipments covered 60% of the total, at the same time, it established the special aid fund in various forms, and added the flexible and timely micro-grant.(Liu Xiaoyun, 1998)

During this period of time, as the Chinese government gave its priorities in the domestic economic development, as a result, although the total amount of its foreign aid also increased greatly, its proportion in GNP and the financial expenditure has not gone up accordingly. Since 1995, the Chinese government based on the previous "Eight principles" in foreign aid, made a series of reforms. It on the one hand promoted the government subsidized interest loan and increased the proportion of financial

grant. Until the end of 2004, China had conducted about 100 projects with the favorable aid loan. (Wang Ancheng, 2004) the countries which had received this form of China's foreign aid extended from Africa to Asia, Latin America and the South Pacific Island. Secondly, promote the joint venture and cooperation in foreign aid, to help the recipient countries to develop their economy, improve the human resource, and contribute to the mutual development of China and the recipient countries.

The oil exploitation in Sudan was the first China's favorable loan project. The drilling started from January 1997, until end of 1998, it completed the drilling for four oil wells, two of which can be utilized for commercial purposes, the success of the project brought new opportunities to the contractor of the China Petroleum and Natural Gas Prospecting and Exploitation Corp. on the future cooperation. Until the end of 1997, the forest development and timber processing project in the Equatorial Guinea had accumulated 3160 thousand cubical meter log. The joint venture on the textile factory in Tanzania started to operate in April 1997, and began to gain profit in July the same year. Meanwhile, the Chinese government approved to establish the foreign aid joint venture and cooperation fund in 1998, the major resource of which was the redemption of China's foreign aid loan since 1994.

From the setup of this fund to 2002, the accumulative lending amount was 1.152 billion RMB and the redemption amount was 172 million RMB, by using this fund, the recipient countries had built up 93 joint venture and cooperation projects in more than 30 countries. (Fu Daopeng, 2003) In addition, departing from the actual situation of the recipient countries, China has increased the financial grant to the "friendly countries" which can not repay the debt, and also to those the least-developed countries. China continued to provide the financial grant and material in kind to them to solve the practical problems that they have. From 1997 to 1999, China has promised 1.106 billion RMB and 25 million USD as financial grant to the recipient countries. (Zhang Yuhui, 2006)

Since the past 50 years, China's foreign aid to Africa has amounted to 44.4 billion RMB covering 30% of the total amount of 120.773 billion RMB. These foreign aid to Africa has sponsored about 900 infrastructure and social commonweal projects. Most of these projects were involved in the areas which are highly relevant to the life quality of the local people, including the building up of the farm, sugar factory, school, hospital and medical center, conference building, office building, stadium, railway, road, power plant, water-conservancy projects etc. Only in the visit of Premier Wen Jiabao to Africa in 2006, China has signed 71 agreements with seven countries, covering the area of politics, economy and trading, infrastructure construction, culture, education, and technology etc.

The Chinese government promised to continue its aid in these seven countries for their social development, including to build up agricultural demonstration center and countryside primary schools, send medical teams, donate the anti-Malaria medicines,

train professionals. At the same time, the Chinese government also promoted the cooperation in human resource development, adopting the integrated mode of “going out and coming in” for training provisions, and trained 12 thousand African people in various professions. Since 1963, China started to send medical teams to Africa, so far, it has already sent 15 thousand medical workers, forming 35 medical teams working in 34 African countries.

In addition, China has also provided large amount of aid in kind to african countries, and the emergent disaster relief aid and technical assistance, exempted 10.9 billion RMB debt in 31 poor countries with substantial debt and the least-developed countries. China’s foreign aid to Africa has mostly been unconditional, under the principle of non-interference to the domestic affair of the recipient countries, no request on any privileges in reciprocity to the aid, and according to the practical needs and the priorities in the domestic overall strategy of the recipient countries, attention was given to the actual effect of these projects. And it also tried to increase the self independent development capacity of these developing countries, and helped to train engineers and management professionals. Currently, the China’s aid to Africa will be concentrated on the areas of infrastructure construction, epidemic prevention, human resource development and agricultural improvement etc. and the forms of the aid will be the integration of the government’s grant and loan and the participation of the enterprises in the associated activities.

Since 2000, China has already waved more than 10 billion USD debt in 31 african countries and endowed 5.5 billion USD development fund support. It again promised to add up another 2.6 billion USD in the next two years. On the loan aspect, the total amount of China’s loan to Africa has exceeded that of the World Bank. In 2005, China lent 8 billion USD to Nigeria, Angola and Mozambique; During the same period of time, World Bank’s loan to the whole Africa was 2.3 billion USD. In 2006, China’s Import and Export Bank has allocated 12.5 billion USD loan to Africa, and according to the estimates from the “Economist’s Information Center”, this figure will exceed 17.5 billion USD in 2007. (Economist Information Center,)

The amount of China’s aid in the form of loan to Africa in 2006 was three times of that of the total sum of all OECD member countries during the same period of time, and 25 times of the aid from the American Import and Export Bank (South African Brenthurst Foundation)⁷.

Box 2:

The bilateral aid from China to Nigeria started in 2002. in order to promote the economic and social development in Nigeria and the sound cooperation between the

⁷ Cited from “American Media, China’s aid gains its popularity in Africa, China displays the Great Nation image”, from Sohu.com, 28 June, 2007

two countries, China put great effort to provide good quantity of aid to Nigeria. The scale of China's foreign aid to Nigeria was about 6-10 million USD annually, mainly of which are used to provide anti-Malaria medicine, mosquito tent, anti-avian flu materials, to train the Nigeria professionals, and to dig well and provide water in the poor areas etc. and China also started the multi-lateral assistance in Nigeria since 1994, covering the areas of rice plantation, vegetable plantation, agricultural machines, weather forecast, sunlight utilization, plain water fish raising, bio-gas, micro- hydropower technique and IT skills.

Until 2007, the training workshops and short-term training courses held in China have already trained more than 400 Nigerians in management and practical technologies, which have gained high praise by the Nigerian government and the trainees. In the March of 2003, under the frame work of "south-south cooperation", China signed the "tripartite agreement on the special plan of food security" with the Nigerian government and FAO. Until March of 2007, the Chinese professionals who have participated in the Sino-Nigerian south-south cooperation in agriculture has amounted to 15 batches, with 496 people in position, who are located in 36 states in Nigeria, engaging in the technology extension in the areas of water conservancy, agriculture, animal husbandry and aquaculture. There have been 450 expatriates have completed their term and came back to China. this sino-Nigeria south-to-south cooperation project has gain wide popularity in the Nigerian farmers and the agricultural technology extension workers, and also received high comments in the Nigerian government, honored by the FAO as a brilliant demonstration in the global south to south cooperation.

China's foreign aid to Tanzania started from 1960s, the Tanzania-Zambia railway is the symbol of the aid at that time. The amount of China's aid to Tanzania was about 20 million USD annually, in which at least 10 million was financial grant. These aid was mostly designed for projects, covering the areas of infrastructure construction and social commonweal, education, hygiene, agricultural demonstration center and capacity building through training provisions.

In 2007, the China's aid to Tanzania was mainly involved in the following aspects: first, China's financial grant sponsored the construction of the National Stadium which can accommodate 60 thousand audience, and the associated trainings to provide human resource for the operation and management of the Stadium. Second, on water provision and other micro scope projects, such as to sponsor 15 computers to the good governance department in the president office, and the water pipe maintenance project in the capital city; Third, to actively put the eight principles set in the Sino-African forum into practice, such as to exempt the debt before end of 2005; Fourth, to build up the agricultural technology demonstration center; Fifth, on education, sponsor three primary schools in rural area, with an investment of 5 million yuan RMB to each of them; Six, on hygiene and health, mainly to help in anti-Malaria and hospital construction. Annually, China has provided 3 million yuan

RMB to Tanzania on the provision of anti-Malaria medicines.

We can see from these facts and data that in the past 50 years, China's foreign aid has gradually been shifted from the relatively single political concerns on the ideological exportation for the generation of the awareness on national independence to financial and technical assistance with the integrated objectives of economic benefit, political considerations, geo-political strategy and humanitarian aid. However, this research does not aim to make a systematic comparison in the aid industry of China and the West, also such a comparison would be hindered by the lack of sufficient data support. But in a general sense, no matter the early period of aid with the political goal or the current economic and technical assistance serving for the overall economic strategy, China's foreign aid has always enforced in comply with the principle of non-interference to the other countries' domestic affairs. This principle was not entirely for the smooth operation of the aid or compromise, but a comprehensive policy framework deriving from the traditional Chinese culture and the current practical needs in economic, social and political development.

This framework has ever since the beginning inherited the idea of not changing the economic and political structures of the recipient countries. This middle-route strategy, despite its potential inefficiency in aid provision, has indeed been proved to be effective in building up an equal and sound partnership with the recipient countries, and to avoid the potential socio-psychological antagonism and conflicts in donor-recipient relations, particularly in the former colonial countries.

2 The organizational and institutional arrangement of China's foreign aid

If we review on the historical development of China's foreign aid, at the beginning of the founding of new China, this work was relatively less, also taken the fact that it was practicing the rationing system under the planned economy in the country; therefore, the foreign aid was also under the unified coordination of the National Planning Committee. After the Bandung conference (1955), China started to give aid support to Africa, with the increasing affairs associated with foreign aid, the National Planning Committee can no longer fulfill the workload. In 1956, the Chinese government set up the Administration of Foreign Economic Cooperation to be in charge of the foreign aid affairs. In 1964, the Foreign Economic Committee was established, which was developed into the Ministry of Foreign Economy, with more than 600 government-registered staffs.

In 1982, the Chinese government conducted the institutional reform, combined the Ministry of Foreign Economy, Ministry of Foreign Trade and Import and Export Management Committee into Ministry of Commerce, under which it set up one department and one bureau, naming the Foreign Aid Department and the Executive Bureau of China's Foreign Aid (China Whole Set Equipment Export Company), to be

in charge of the enforcement of China's foreign aid policies. In 1993, the state started to implement the policy of "separating the functions of government and enterprise" in many sectors, including the separation of the Foreign Aid Department and the Executive Bureau of China's Foreign Aid. The previous administrative tasks in the Bureau were returned to the Department. As the increasing work in foreign aid affairs, in 2003, the MOFCOM set up the International Economic Cooperation Affairs Bureau to assist in the management of China's foreign aid. Since then, the foreign aid affairs in China were co-managed by the foreign aid department in Ministry of Commerce and the International Economic Cooperation Affairs Bureau.

The foreign aid department under Ministry of Commerce has set up 13 divisions and one office with the main responsibilities as the following: 1. Draft and implement the policies on foreign aid, draft the law, regulations on foreign aid and rules in department portfolio; research on and promote the reforms in foreign aid. 2. Formulate the plan on foreign aid and organize its implementation, draft the plans on aid to specific countries and design the aid projects. 3. Responsible for the negotiations on aid between governments, signing on the aid memorandums, dealing with the inter-governmental aid affairs, and the handover of the aid projects to the recipient countries, responsible for the aid loan redemption and the debt re-composition. 4. Make assessment of the qualifications of the bidding enterprises on the future participation in the project, organize the foreign aid project bidding, design the task and objective of these projects, and monitoring on the implementation of foreign aid projects. 5. Responsible in formulate and report the foreign aid fund budgeting and final accounting, and the associated statistical work. 6. Responsible in the expenditure of foreign aid fund. Monitoring and manage the foreign aid favorable loan and the foreign aid joint venture and cooperation fund project, and solve the disputes between the governments. 7. Provide supervision on the work of the International Economic Cooperation Affairs Bureau.

The International Economic Cooperation Affairs Bureau under the Ministry of Commerce has set up ten divisions, eight of which have been in operation. Their main governmental functions are as following:

1. Deal the annual assessment of the aid project implementation enterprises, and responsible for the pre-assessment of the eligibilities of the bidding enterprises for aid projects.
2. Organize the bidding and tendering of the foreign aid projects.
3. Responsible for the enforcement of foreign aid project insurance and commercial checking rule.
4. Responsible for the construction, utilization and management of the specialists tank for foreign aid projects, and the assessment on the performance on the specific tasks by these contracted organizations.
5. On behalf of the government to deal with administrative assisting work on the management of the human resource development project for foreign aid

implementation, organize and implement some directional foreign aid training programme.

6 Responsible for the high commercial credits of the implementing enterprises and assess on their record and deeds.

7. Undertake the foreign aid consultation work, and organize the set project inspection, mid-term quality checking and the acceptance on completion.

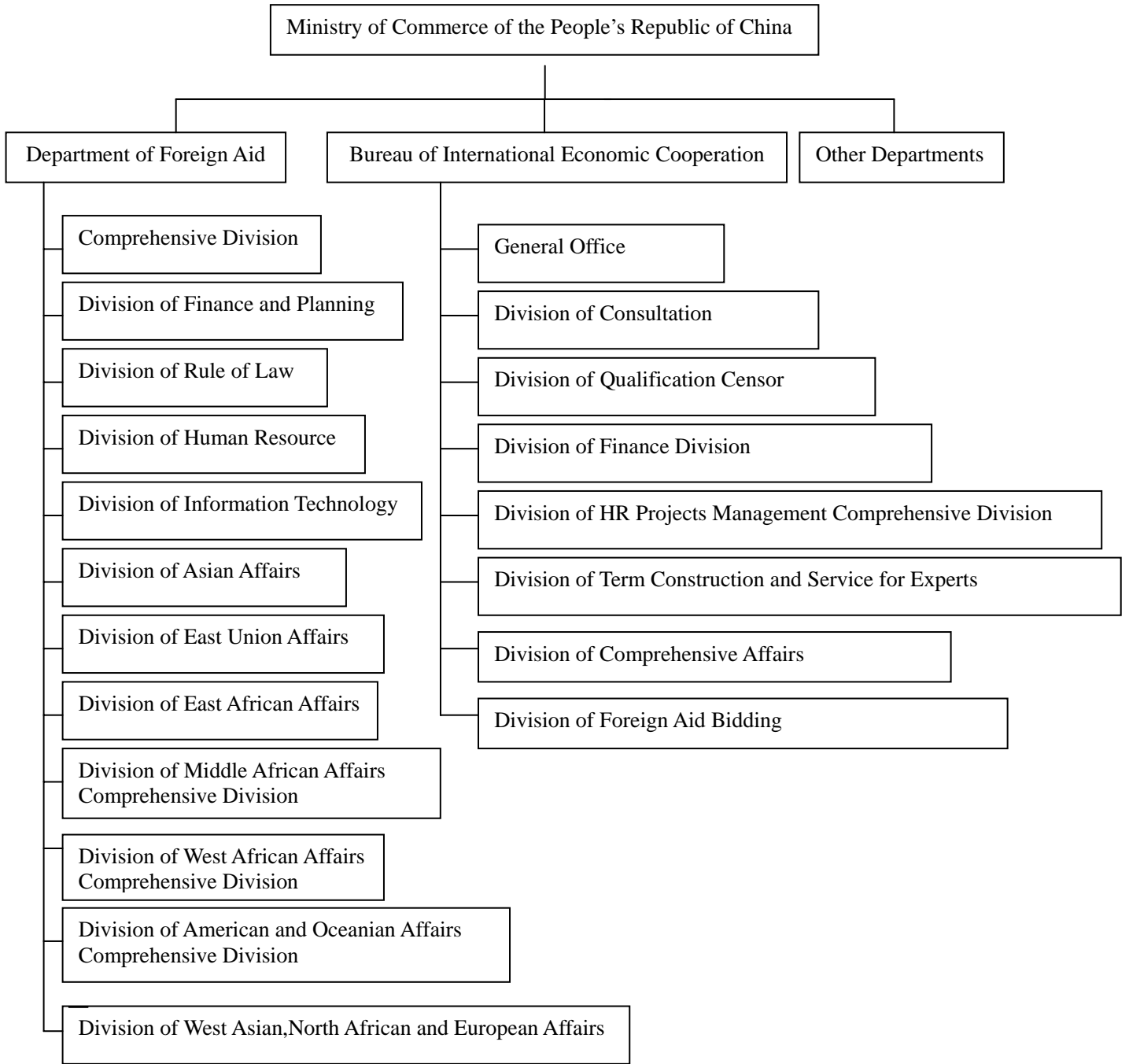
8. Responsible for the post evaluation of the foreign aid projects.

9. Responsible for the dissemination of the foreign aid business, and training on the relevant regulations.

10. Responsible for the capacity building of the aid project implementing team and improve their working performance.

11. Responsible for the informational construction of the foreign aid business. Etc.

Figure 3 the Organizational Chart of China's Foreign Aid Management



Ministry of Commerce is undertaking the main responsibility of the foreign aid work, other related departments are also involved in the various aspects of the foreign aid work, these institutions included: the Ministry of Foreign Affairs, the Ministry of Finance, China's Import and Export Bank, the implementation of the aid projects also involves the coordination and support from other ministries and committees, such as Ministry of Science and Technology, Ministry of Education, Ministry of Agriculture, Ministry of Health, Ministry of Public Security, the National Women's Federation etc.

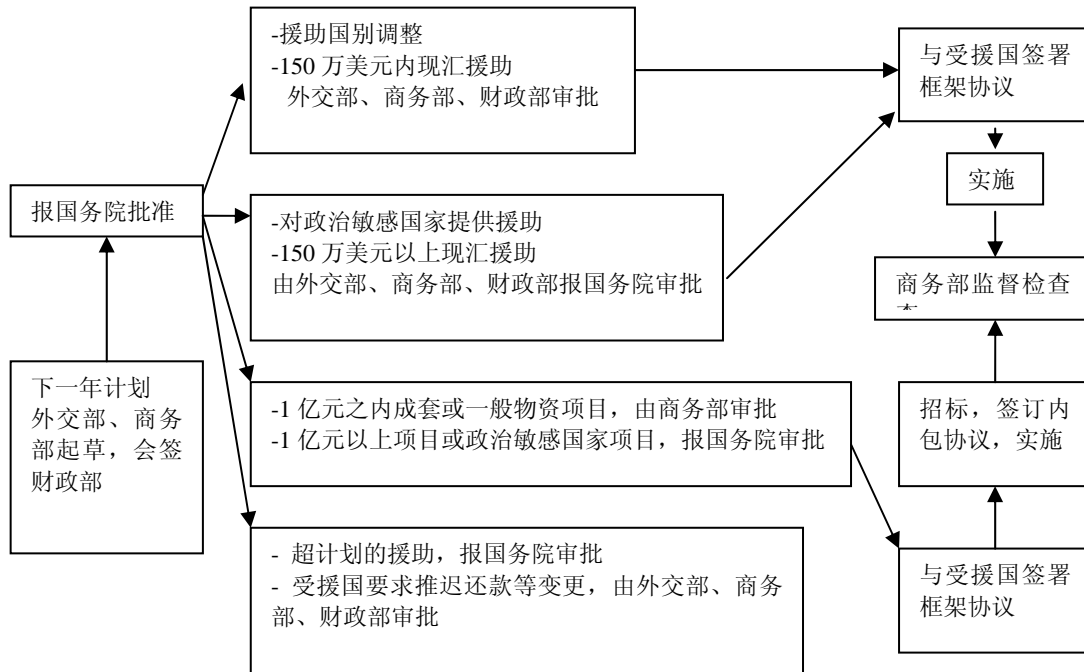
The Ministry of Foreign Affairs should make the proposals on the strategic plan of foreign aid, including the list of potential recipient countries and the concrete forms of these aid etc. In the Ministry of Finance, the foreign affairs department used to be in charge of the overall budget on foreign aid before 2000, and adjustment was made afterwards that the concerned departments should be responsible for the budgeting of respective ministries and committees. The China Import and Export Bank is in charge of the favorable loan aid, the balance on interest is subsidized by the national finance.

Taken the financial aid for instance, the following is the formal procedures for operation and management:

In the fourth quarter of a year, the Ministry of Foreign Affairs and Ministry of Commerce should jointly draft the foreign aid plan for the next financial year, endorse and submit to the Ministry of Finance;

1. After the approval of the plan by the State Council
 - If there is any adjustment involving different recipient countries, and the aid in cash with the total amount less than 1.5 million USD, should be examined and approved by the Ministry of Foreign Affairs and the Ministry of Finance jointly; and any adjustment on the countries with sensitive political implications, and the aid in cash with the total amount more than 1.5 million USD, should be examined and approved by the State Council;
 - The set project and the general material project with the total investment less than 100 million RMB, the Ministry of Commerce is authorized to approve; such projects with the total investment more than 100 million RMB, approval should be made jointly
2. Sign the framework agreement with the recipient country:
3. To the set project, the Ministry of Commerce is responsible to organize the bidding committee, select the project implementing company through bidding and tendering, and sign the "internal-contract" agreement, monitoring on the implementation process of the contracted company;
4. The Ministry of Commerce and Ministry of Finance should also organize the routine monitoring and checking of the implementation of these projects;
5. In addition, any foreign aid which is not included in the annual plan, the Ministry of Commerce, Ministry of Foreign Affairs and Ministry of Finance should report to the State Council for approval; Any proposals or requests from the recipient country on issues like the postpone of debt redemption, or the adjustment on aid conditions, approval should be made by the Ministry of Commerce, Ministry of Foreign Affairs, and the Ministry of Finance.

Figure 4 Financial Aid Operation and Management Procedure



3 The Mode of China's ODA

China's ODA initiates in the form of bilateral assistance. Since China's entry into the UN in 1971, China gets involved in multi-literal assistance; therefore, focus is still on bilateral assistance. The principal part of China's ODA is official aid, both military aid and development aid. In recent years, there is an increase of Humanitarian assistance, for example, in 2005, China has been engaged in the assistance actions against Indian Ocean tsunami, the US hurricane disaster and Pakistan earthquake. Judging from the nature of ODA funds, they are in the mode of non-reimbursable assistance, discount government assistance, interest-free loans or soft loans and joint venture project cooperation, etc. Presently, interest-free loans have been canceled. Non-reimbursable assistance is providing grant loans of 100% bestowal. Preferential loans refer to discount government loans with an interest rate less than 2% and a term less than 20 years (including grace period), of which the principal is provided by the Export-Import Bank of China. Overseas joint venture cooperation is operated by having the return money from the recipient country as a foundation, encouraging Chinese enterprises "going abroad" and carrying out joint venture projects with enterprises in recipient countries, which is a new mode of providing indirect assistance. Funds of China's ODA are specifically used for: (i) providing complete plant, goods and materials, and cash assistance to recipient countries; (ii) training people from recipient countries in China; and dispatching professionals, technical persons and administrators to recipient countries, who are specialized in the fields of economics, medical care, technology and sports; (iii) offering discount government loans to recipient countries; (iv) covering partly the expenses of Chinese enterprises in the overseas joint venture cooperation projects listed in ODA funds; (v) payment to public institutions for their implementation of tasks consigned by responsible departments; and (vi) covering expenses for going abroad to the responsible departments that take charge of ODA tasks, etc. (Fu Daopeng, 2003)

It varies for different kinds of ODA projects in the implementation procedure. The discount government loan follows the procedures such as signing intergovernmental framework, examining and verifying the project, project evaluation, signing contract between banks, onlent, project implementation and reimbursement. Joint venture cooperation of ODA projects follows the procedure of project discussion, examining and verifying the project, signing intergovernmental agreement in principle and implementing the project. The funds of joint venture cooperation project are composed of Chinese financial funds for ODA, assistance loans and a certain proportion of funds self-financed by enterprises of both sides.

Box 3 Well Project in Nigeria: Application and Implementation Flow

Starting from 2005, the Chinese Government provides Nigeria with a package project assistance worth 5 million US dollars, which intends to help build 598 wells in two years in the country to solve partly the water problem for local residents. Firstly a consultation is held with the Economic and Commercial Counselor's Office of the Chinese Embassy in Nigeria, to set the project contents and scale under China's Assistance Plan to Nigeria. After examination and approval, the Economic and Commercial Counselor's Office together with Nigerian Land and Water Resources Ministry will jointly decide the location of these wells; yet the final scheme is confirmed by the Nigerian counterpart. Meanwhile, the Ministry of Commerce of China will hold bidding in China, and the enterprises won the bidding then go to Nigeria for the construction. The project funds goes to the account of Chinese Embassy in Nigeria to pay the enterprises for implementing the project. And finally, experts will be sent by both sides for the check and acceptance of the project.

4 Experience and Problems of China's ODA

China's ODA of more than 50 years can be identified as three distinct stages. The notion and mode of the assistance in each stage are changing, from political assistance with relatively simple mode of ideology export to the present mode with compound objectives of both economic and technical development assistance. Although China's ODA takes its form almost simultaneously as international development aid, China's ODA is relatively small in scale; more importantly, China sticks to the principle of independent foreign aid. China's ODA is distinctly different from that of the western countries. Firstly, China's ODA fully respects the sovereignty of recipient countries. At the very start, China's ODA is not only influenced by politics and ideology, but also by the traditional Chinese culture and value. China offers the greatest possible moral support, while not taking it as bestow to the recipient countries. Hence, China's ODA always adheres to the principle of respecting the sovereignty of recipient countries with absolutely no strings attached. As the evolution of world situation, the stakes of China's ODA is changing as well; however, the missions of ODA is not trying to change the structures of recipient countries. That is the essential difference between China's ODA and western development aid. In practice, China's ODA sticks to the principle of non-interference in the internal affairs of recipient countries, which helps the recipient countries get the assistance in need and have their own development with no interference. The ODA mode that not only giving people fish, but also teaching how to fish, provides experience for establishing an equal partnership between China and Africa.

Secondly, although China's ODA has changed from single to multiple with the purpose of facilitating the development of African economy, such ODA is based on the demands of recipient countries. Since 2000, China's ODA in Africa is concentrated on infrastructure, including public facilities such as public buildings, hospitals and schools and other facilities like road traffic. As far as the ODA mode is concerned, loans are increasing the most. Positive responses are made by African development officials

that assistance in infrastructure construction and agriculture are most effective ones, followed by private investment, capacity building, health and medical services. This indicates that African people are paying high attention to China's development in agriculture and infrastructure; on the other hand, this precisely shows that these two areas owe great demands. The results from a quick appraisal on the priority fields of China's aid to Africa also explain the importance of agriculture and infrastructure. Most African officials think that priorities of China's ODA should be given to agriculture and infrastructure construction. Few think it of priority to improve governance. Sharing poverty reduction experience is also considered as an aspect for China's aid to Africa.

Table 2 Evaluation of the effectiveness of China aid

Effectiveness	5-most useful			1-least useful or do not know		Summated evaluation
	5	4	3	2	1	
Infrastructure construction	39.6%	45.9%	17.6%	11.3%	0	4.6
Agriculture development aid project	29.1%	35.4%	19.8%	14.8%	0.8%	3.8
Private investment	32.7%	23.3%	24.5%	18.6%	0.9%	3.7
Capacity building	32.8%	16.5%	27.4%	15.0%	8.4%	3.5
Health and medical services	18.5%	31.5%	27.5%	21.7%	0.8%	3.5

Note: data are collected from 85 pieces of quick appraisal questionnaire. The evaluated are people from Nigeria, Tanzania and some other African countries; some are development officials.

Table 3 Evaluation of priority fields for China's aid to Africa

Field	5-top priority			1-least priority		Summated evaluation
	5	4	3	2	1	
Agricultural development	83.0%	6.8%	6.3%	3.9%	0	4.7
Infrastructure construction	78.6%	11.1%	7.1%	3.2%	0	4.7
Sharing of poverty reduction experience	73.4%	21.9%	1.6%	3.2%	0	4.7
Technical assistance on pro-poor smallholder development activities	60.3%	30.0%	6.5%	3.2%	0	4.5
Education and training	47.4%	45.8%	2.2%	4.6%	0	4.4
Joint research program on effective aid utilization	51.6%	31.0%	12.7%	4.8%	0	4.3
Health and medical services	42.4%	35.7%	9.3%	7.9%	4.8%	4.0
Environment protection	35.9%	36.3%	18.4%	9.4%	0	4.0
Improve governance	31.4%	43.4%	15.7%	9.6%	0	4.0

Note: as that of Table 2

In recent years, China's ODA has shifted to fields like agriculture, sanitation and human resources development, especially to some high-level training events targeted at China's development experience. Starting from 2005, China has been training African officials in various fields, such as poverty reduction, agriculture, sanitation, economic reform and statecraft. Column 8.4 shows the training activities carried out by International Poverty Reduction Center in China (IPRCC) from 2005 to 2007 for African officials. The training evaluation reveals that training contents and training pattern has been highly appraised by trainees.

Thirdly, China's ODA usually takes the form of general materials and construction

projects. The construction projects are directly implemented by Chinese enterprises and organizations. Such mode might not be conducive to build local capacity. This may avoid corruption as there is no direct funding treated. Since 1950s, the assistance of package projects and materials account for 70-80% of China's total ODA. China's aid to Africa gives priority to package project. However, according to historic experience, it is of disadvantage to adopt the mode of completely free gift. It is proven that free assistance can hardly change the poverty status in Africa. Living in the present, Chinese Government is actively exploring new mode of assistance. In 1987, Togo Sugar Factory, which was built with the aid from China lacked technical strength and management expertise, when the factory was leased and managed by a Chinese enterprise, its performance improved significantly, which won praises from local government (Yan Yiwu, 1990).

Fourthly, the joint venture cooperation mode implemented in China's ODA provides good referential experience for China's aid to Africa. By investing Africa with the fund established with the repaid debt by African countries, thereby, African and Chinese economy grows together.

Lastly, there is less evaluation activities involved in China's ODA. Its fringe cost is low and the management procedure is relatively simple with low direct management. Furthermore, China's ODA is only a kind of support to recipient countries; hence no need to evaluate other conditions.

Box 4 Trainings targeted at African Countries by IPRCC

Four international training workshops on poverty reduction which targeted African countries had been successfully organized by IPRCC since 2005. The training courses, each of which lasted for 15 days, had trained 80 officials from 27 African countries. These countries included Algeria, Angola, Benin, Central Africa, Congo, Cote d'Ivoire, Egypt, Ethiopia, Ghana, Guinea Equatorial, Kenya, Lesotho, Liberia, Mauritania, Mauritius, Mozambique, Namibia, Seychelles, Sierra Leon, South Africa, Sudan, Tanzania, Togo, Uganda, Zambia, and Zimbabwe. The training workshops are to help developing countries enhance their capability in reducing poverty. The participants would be lectured in Beijing, have field trips to project sites, and then go back to Beijing to review and exchange ideas. It was well-received by participants that the workshops each provided about six to ten lectures on such four topics as national economy and social development in China, issues concerning agriculture, countryside and farmers in China, evolution of poverty reduction in China, and policies and strategies of poverty reduction in China, all enriched by illustrative case studies. The training workshops combined theory highlights, experience introduction, case study, field trips and participatory discussion, which interested and mobilized the participants. The lecturers, coming from a variety of social background, specially, included government officials from relevant departments, poverty reduction officials, prestigious scholars of domestic academic institutions in the field of social development, representatives of international organizations in China, managers of poverty reduction projects and practitioners at county levels and below. The African participants developed a preliminary understanding of the basics of China and the achievements of reform and opening up, understood the chief contributors to Chinese successes in poverty reduction, learnt about the basic experiences that could be transferred to their countries, and enhanced their understanding of and friendships with China. As it came to the end of each workshop, it had the feeling that China is a friendly, faithful, responsible and reliable nation. As they said, they would work for more government officials from their countries coming to China for knowledge-learning, tour and chances of collaboration.

Table 4 Project evaluation results of trainings for African countries by IPRCC (2005-2007)

	Evaluation contents	5=superior/very suitable/very good, 4=satisfactory/suitable/good, 1=not satisfactory/not suitable/not good					Summated evaluation
		5	4	3	2	1	
Training contents	Whether the system is complete	100.0%					5.00
	Lectures	92.0%	8.0%				4.92
	Resource persons	90.7%	9.3%				4.91
	Language skill of lecturers or translators	88.7%	11.3%				4.89
	Teaching materials	88.3%	11.7%				4.88
	How difficult are the lectures (5=just right, 4=too difficult)	90.7%	9.3%				-
Others	Whether the workshop shall help your future work	100.0%					5.00
	Whether the workshop shall promote the collaboration between China and your country in relevant	96.7%	3.3%				4.97
	Pertinence of field trips and the subject of the workshop	92.3%	7.7%				4.92
	Classroom and teaching facilities	92.0%	8.0%				4.92
	Quantity of sessions (5=just right, 4=too many)	84.3%	15.7%				-
	Duration and activities of field trips (5=just right, 4=too many)	89.0%	11.0%				-
	Duration of the workshop (5=just right, 4=too short, 3=too long)	73.3%	19.0%	7.7%			-
Management	Vehicle and transportation arrangement	93.7%	6.3%				4.94
	Whether the Chinese staff cordial	92.0%	8.0%				4.92
	English communication skills of the Chinese staff	90.3%	9.7%				4.90
	Geographic position of hotels	90.0%	10.0%				4.90
	Organizing capacity of hosting institution	89.3%	10.7%				4.89
	Meals	87.0%	13.0%				4.87
	Accommodation conditions	85.7%	14.3%				4.86
	Managing ability of Chinese staff	85.0%	15.0%				4.85

Note: "-" in "Summated evaluation" are those items that do not need to collect.

In the past 50 years, China's ODA, especially China's aid to Africa has accumulated rich experience and has formed a supportive assistance system different from that of

western development intervention, which provides various modes to effectively help Africa and other developing countries. Whereas, along with the development of Chinese economy and as the international economic and political environment changes and western development aid transforms, China's ODA is facing considerable challenges.

Firstly, with the expansion of China's ODA, conflicts might occur as China's aid with no strings added differs from the western aid that has specific targets set to change local structures in Africa. Cooperation with western partners will be of great importance in China's future international relations. China by far lacks holistic policy framework on how to cooperate with western countries in the field of international development. The west recognizes China's aid in Africa and acknowledges China Mode as of reference meaning; however, it is believed that China should take concerted action under Paris Declaration on Aid Effectiveness. While china sticks to its independent foreign policy.

Secondly, it needs further improvement in the management system of China's ODA. Specialized agencies are set up by developed countries responsible for their ODA. As for China, the Ministry of Commerce takes charge of ODA and its Economic and Commercial Counselor's Offices stationed abroad as a department in the embassy ability, are not capable of handling ODA projects. Though most assistance projects have final report when completed, there lacks effective evaluation system to have a clear understanding on how these assistance projects perform, and there is even no evaluation institution to undertake integrated monitoring and evaluation, which directly recede the combined social economic effect of assistance itself. In addition, owing to historical reasons, China's ODA is still in a state of mistiness with poor transparency, which easily makes the international community suspicious of China's ODA, and even makes it hard to get support and understanding by domestic public. Furthermore, since there was no timely propaganda, the international community and local people in Africa would have incomprehension in China's ODA, which would easily provoke international public opinion of China Threat. Moreover, no systematic study on China's ODA has been done. The identification of assistance project and the determination of project contents at present are generally based on the demands of recipient countries. The assistance projects to some extent meet the aspiration of recipient countries especially that of the government officials, making the project selection of China's aid passive and temporary in nature, unfavorable for the standardization and sustainable development of China's ODA.

Thirdly, both non-reimbursable assistance and economic and technical cooperation are faced with the issue of effective integration with poverty reduction targets in African countries. As for the non-reimbursable assistance, make sure that the poor could get benefited; and joint venture cooperation projects in economic assistance could become pro-poor industry of economic growth. These are new problems faced by China's aid to Africa. China in this aspect has rich experience; however, it needs further exploration on how to apply these experiences into China's aid to Africa. Obviously, the simple principle of setting projects based on the demands of recipient countries cannot reach the goal. To make China's ODA more effective, it is important to establish a working mechanism for Sino-African collaboration.

Fourthly, China's aid to Africa is all along focusing on equipment and infrastructure construction, of which the west has long-term experience and lessons. The biggest problem in the assistance of equipment and infrastructure construction is the maintenance and operation mechanism. Therefore, criticisms to China by the west assistance system in this aspect have some rationality. China's aid to Africa should

pay attention to this issue.

Fifthly, China is faced with environmental concerns as economic assistance and joint venture cooperation increases, of which China has tremendous lessons during its development in the past three decades. China should avoid negative impact on the environment which might be caused by its large-scale investment and assistance in Africa. Rigid environmental assessment should be embarked for China's various aid to Africa.

Sixthly, as China's aid to Africa increases, besides the management of current foreign aid system, attention should be paid to personnel issues in China's ODA. The west in the past 100 years has formed institutional mechanism of development assistance, and accordingly formed a complete system of personnel training. Japan has been learning from the west in the past several decades and has invested heavily in the training of personnel for ODA.

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