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**The Comparative Impact Analysis of Chinese and Turkish
Development Assistance to Ethiopia from a South-South
Cooperation Perspective**

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Abstract

*Many "Emerging Powers" that have recently assumed a more important international role have significantly increased their economic activities in Africa. These new development partners have shown a substantial increase in their development cooperation activities. **China** and **Turkey** are no exception as they stand out as one of the most important emerging actors in Africa today and thus are not new to Ethiopia. Since Emperor Haile Sillasié's era, these two countries have been delivering aid to Ethiopia and to Africa since the end of colonial period.*

Development assistances from both countries have similarities in some important and inter-related respects. They both give monetary and non-monetary forms of assistance; both countries are also motivated by a combination of strategic, political interests and mutual benefits with commercial intent. As such, they are similar to traditional donors in that their aid practices are tied with some conditionalities equipment, companies and labour as well as services. However neither country has conditions on governance, democracy and human rights. In the meantime, both China and Turkey have valuable contributions to make towards Ethiopia's development in the spirit of South-South cooperation, which needs to be understood in the context of the changing global development assistance architecture.

*The present study indicates that the development assistances from China and Turkey to Ethiopia, has a direct and indirect impact which is at the same time complimentary and competitive to western aid , and thus have both opportunities and challenges. In this light, we also recommend policy interventions to minimize the challenges and maximize the benefits of the cooperation, which can be implemented unilaterally by Ethiopia and also by China and Turkey as well as through the cooperation of the three. But as for Turkey, a "**Triangular Model**" of cooperation, in collaboration with a Western donor could produce excellent out comes with European Union due to the Western oriented foreign policy of Turkey.*

Keywords: *Development Assistance; Aid; China; Turkey; Ethiopia.*

Etiyopya'ya Türk ve Çin Kalkınma Yardımlarının Güney-Güney İşbirliği Perspektifinden Karşılaştırmalı Etki Analizi

NKWAH Akongnwi Ngwa

Özet

Uluslararası alanda gittikçe artan bir şekilde daha önemli rol üstlenmek isteyen birçok "Yükselen Güçler" Afrika'daki ekonomik aktivitelerini belirgin bir şekilde artırmaktadır. Bu yeni gelişen ortaklar kalkınma işbirliği faaliyetlerinde belirgin bir artış göstermektedirler. Günümüzde afrikada Yükselen aktörler olarak ortaya çıkan çin ve türkiye bu durumda bir istisna yaratmamakta ve mevcut durum Etiyopya için yeni bir durum değildir. Kolonyal periyodun sonundan itibaren İmparator Haille Sillasi'e'nin döneminden günümüze değin bu iki ülke Etiyopya ve Afrikaya yardım yapmaktadırlar.

Karşılıklı ilişki açısından her iki ülkenin kalkınma yardımları bazı önemli benzerlikler taşımaktadır. Her iki ülke de parasal ve parasal olmayan şekilde yardımlarda bulunmaktadır; aynı zamanda her iki ülkenin motivasyonu politik, stratejik ve ticari amaçlı karşılıklı çıkarlarını içeren bir bağlamda oluşmaktadır. Geleneksel bağışçılar gibi bunların dayattıkları yardımlar hizmetlerde olduğu gibi malzeme, şirket ve çalışan kapsamında bazı şartlara bağlanmıştır. Bununla birlikte yönetim, demokrasi ve insan hakları açısından her iki ülkenin de herhangi bir koşulu yoktur. Güney Güney işbirliği ruhu içinde Etiyopya'nın kalkınmasına yönelik olarak hem Çin'in hem de Türkiye'nin değerli katkıları olmuştur, aynı zamanda bu durumun değişen küresel kalkınma yardımları yapısı bağlamında anlaşılmasına ihtiyaç duyulmaktadır.

Mevcut çalışma göstermektedirki Çin ve Türkiye'den Etiyopya'ya aynı zamanda ücretsiz olan ve batı yardımları ile rekabet eden bu kalkınma yardımlarının doğrudan ve dolaylı olarak etkileri vardır aynı zamanda bu durum beraberinde fırsatlar ve zorluklar da oluşturmaktadır. Bütün bunların ışığında, Çin, Türkiye ve Etiyopya'nın gerek tek taraflı olarak gerekse de işbirliği içerisinde her üçü ülke tarafından uygulanabilecek ve aynı zamanda zorlukları en aza indirerek işbirliği fırsatlarını maksimize edecek politik müdahaleleri tavsiye etmekteyiz. Fakat Türkiye için, Türkiye'nin batı eksenli dış politikası bakımından, her üç ülkeyi kapsayan ve batılı bağışçılarla işbirliği içerisinde bir model en iyi sonucu üretecektir.

Anahtar Kelimeler : *Kalkınma Desteği; Yardım; Çin; Türkiye; Etiyopya.*

INTRODUCTION

While African integration with the global market remains a crucial issue in world politics, many states continue to push their own profit-making agendas. **China** and **Turkey** are no exception as they stand out as one of the most important emerging actors in Africa today. (Davies, Edinger, Tay, Naidu, 2008) Thus Ethiopia is one of the largest recipients of foreign aid per capita from both donors. Turkish foreign policy for the last 15 years has been driven to improve relations in a wider geographical area. As outward oriented economic and business relations have been intensifying, Africa became a center of attraction. "*The Strategy Development of Economic Relationships with Africa*" project launched in 2003 marked the beginning of a new era for Turkey and Africa relations. (Kalaycioglu, 2011) Since then Turkey has been in an effort to reinforce ties with the African countries as part of its newly adopted multi-axis foreign policy. While Turkey's foreign policy objectives have undergone fundamental changes, bilateral aid has become an effective instrument.

In a same way, China's foreign policy towards Africa has undergone a dramatic shift since the second half of 1990s. Africa became a strategic focus for Chinese outward bound companies. (Davies, Edinger, Tay, Naidu, 2008) Thus 2006 marked the 50th anniversary of the establishment of diplomatic ties between China and Africa, and China issued an African Policy Paper (APP) revealing its desire to increase cooperation with African countries. The APP envisaged stronger ties with Africa including increased trade, more aid and more debt relief. (African Forum and Network on Debt and Development, 2010) Hence, China's rising economic involvement in Africa is accompanied with aid and development policy.

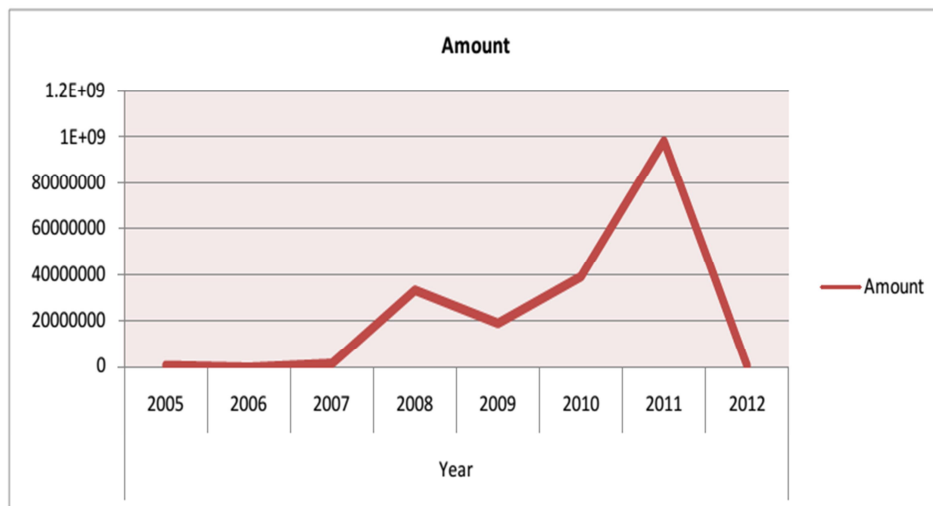
In this light, China and Turkey as newly emerging donor countries offer new engagement terms and rules in development aid deals. Thus a comparative study of Chinese and Turkish aid to Ethiopia is relevant and has profound impact to Africans and traditional donors. The method of data collection relies on both primary and secondary sources. With regard to the analysis of the research, it adopts analytical, descriptive, and critical approaches. For convenience, easy understanding and admittedly somewhat arbitrarily choice of area study, this article is in the first part analyzes the scope, growth and nature of Chinese and Turkish aid to Ethiopia. The second part focuses on the comparative impact analysis of Chinese and Turkish aid to Ethiopia while the third part looks at the opportunities and challenges involved in Chinese and Turkish aid to Ethiopia which concludes with policy recommendations.

1- MAPPING CHINESE AND TURKISH AID IN AFRICA: SCOPE, GROWTH AND NATURE OF DEVELOPMENT ASSISTANCE TO ETHIOPIA

1.1- Chinese Aid in Context: An Assessment of the Nature and Sectoral Distribution of Chinese Development Assistance to Ethiopia

During the past few years, China has shown significant improvement in direct aid as loan to Ethiopia. Consequently, since 2006 excluding the investment or commercial suppliers' credit loan to the telecom sector, China has committed 3.3 billion USD as a loan to Ethiopia with 46 development projects, out of which 475, 944, 967 USD and more has been allocated (Brautigan, Deborah, 2012). The above loans were allocated for the implementation of more than 30 projects such as Ethio-China Friendship Road, telecommunication upgrading, a large-scale vocational training institute equipped with advanced teaching facilities, Gottera Fly Over Road (Confusion road), Meskel Square to Bole Ring Road, hospital construction, sugar production, railway, telecommunication sector and other projects including Agricultural Demonstration Center (MOFED, 2012). China also built the new African Union Conference Centre with 200 million dollar in Addis Ababa and handed it over to African Union Commission (AUC) in January 2012. See **Figure 1** on the trends of Chinese loans to Ethiopia from 2005 to 2012 (July) in USD.

Figure 1: Trends of Chinese Loans to Ethiopia from 2005-2012 (July) in USD

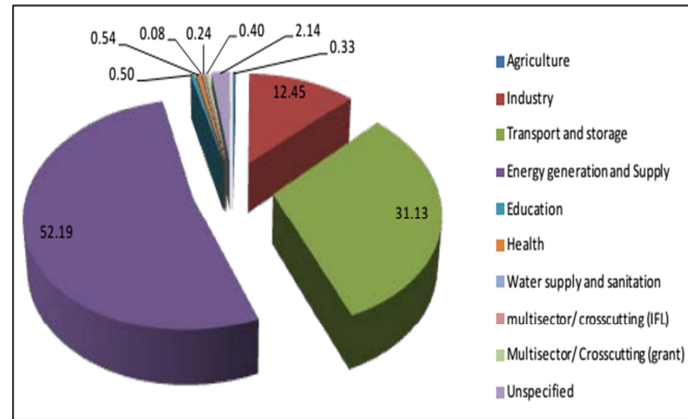


Sources: Ministry of Finance and Economic Development of Ethiopia.

1.1.1- Sectoral Distribution of Chines Aid by Sectors¹

China has a broad and vague definition of aid by Western terms. In Ethiopia about 96% of Chinese development assistance goes to such three sectors as energy generation and supply (52%), transport and storage (31%) and Industry (12%). Out of this, 52.19% of Chinese development assistance in terms of commitment has been extended to energy generation and supply.)See **Figure 2**.

Figure 2: Trends of China’s aid to Ethiopia by sector (actual commitment) from 2005 to 2012 (July) in USD



Sources: Ministry of Finance and Economic Development of Ethiopia.

1.1.1.1- Telecommunications Sector

China’s main focus on infrastructural finance in the Ethiopia has been in the telecommunications sector.² The Zhong Xing Telecommunication Equipment Company (ZTE) has already started to upgrade Ethiopia’s telephone system for four years since 2007 with a capital of \$1.5 billion commercial suppliers’ credit. Further, the company is working on the delivery and installation of mobile-phone network equipment using Code Division Multiple Access (CDMA) technology; a high volume fiber-optic transmission line and the installation of 1.2 million mobile telephone lines in Ethiopia’s capital Addis Ababa and eight other towns.

1.¹ The data on Chinese and Turkish development assistance to Ethiopia was taken from MOFED of Ethiopia. Though the data indicated the overall commitment and disbursement of the development assistance from the two countries, the figures on the disbursement column are not updated for some reasons. Though some projects are completed and the aid committed is disbursed it is not included in the disbursement column. For instance, the comprehensive hospital-Trunesh Dibaba Beijing hospital and the agriculture demonstration centre were completed and started giving service yet the data from MOFED indicate only the aids committed. The reason MOFED official gave was that the report did not reach them. Accordingly, in this section and study for both China and also Turkey, the author has used the overall China’s and Turkey’s development assistance in terms of commitment to different sectors. Indeed, there is no major difference among the top sectors the aid directed both in terms of commitment and disbursement.

2.² In Chinese development assistance there is no clear distinctions between Aid, trade and investment. Ethiopian Ministry of Finance and Development (MOFED) classifies the concessional loan to telecommunication as an investment and the projects in telecommunication are not included as aid. However, according to Chinese definition of aid in the white paper, it can be included as aid.

1.1.1.2- Debt Reduction and Relief

This is an important instrument to promote relations with African countries. In May 2007, Ethiopia and China signed a debt relief agreement in Addis Ababa amounting to US\$18.5 million. The agreement was signed by Mekonen Manyazewal and China's Assistant Minister of Commerce Wang Chao 王超. This is light, the Chinese government also cancelled due debts of interest-free government loans that matured by the end of 2009. This creates the opportunity to utilize the resources to invest in other sectors of the economy like social infrastructure by investing in health and education.

1.2- Turkish Aid in Context : Assessment of the Nature and Sectoral Distribution of Turkish Development Assistance to Ethiopia

Turkey reports ODA flows to the DAC. From close to zero commitments before 2005, ODA flows to Ethiopia in constant 2010 prices were on average \$2.5 million over 2005-2010, peaking at \$4.41 million in 2009 (DAC, 2010). However, Turkish engagement is mainly at the commercial level, with growing FDI inflows in the textile industry benefiting from conditions very much closer to those of export processing zones. As of June 2013, the number of Turkish firms active in Ethiopia is around 100 and the number of employment by these firms has reached about 46.000 although it was only 1 and 5 respectively, in 2003. The total amount of investment by the Turkish firms in Ethiopia is 1,6 billion USD. Currently, Turkish firms employ highest number of workers in private sector in Ethiopia. Another significant indication of the developing relations between the two countries is the fast trade volume increase registered in recent years. The trade volume was 27 million USD in 2000, 140 million USD in 2005, 441 million USD in 2012 and 421 million USD at the end of 2013.

1.2.1- Sectoral Distribution of Turkish Aid by Sectors

“A new model of partnership for the strengthening of sustainable development and integration of Africa” is the new Turkish purpose for delivering aid. Thus the three major sectors are in the forefront in TIKA's activities: social infrastructure, production and economic infrastructure. The greater bulk of Turkish ODA is increasingly channeled for social infrastructure building such as education, health and basic sanitation. (Apaydin, 2012)

1.2.1.1- Social Infrastructure and Services Sector

In the domain of education, as of 2013, upon a request from Ledeta Local Government Office of the Ethiopian Ministry of Education, TIKA provided assistance to the Abadir Institute Primary School of 1,000 students. TIKA built a computer laboratory and provided furnishing to improve technical infrastructure and educational quality of the school. In the domain of administrative and civil infrastructure, there was an experience sharing program for Ethiopia where by a delegation comprised of the senior officials of Harari Regional State Administration.(TIKA 2013) Assistance to the Development and Solidarity Association of Turkish Graduates which is an association that implements projects in cooperation with Turkey

and Turkish NGOs in fields such as water, education and health that are generally noted as the main challenges faced by Ethiopia. In order to strengthen relations in the field of education, the Turkish government provided 47 scholarships for undergraduate study in Turkey in the academic year of 2013-2014.

1.2.1.2- Economic Infrastructure and Services

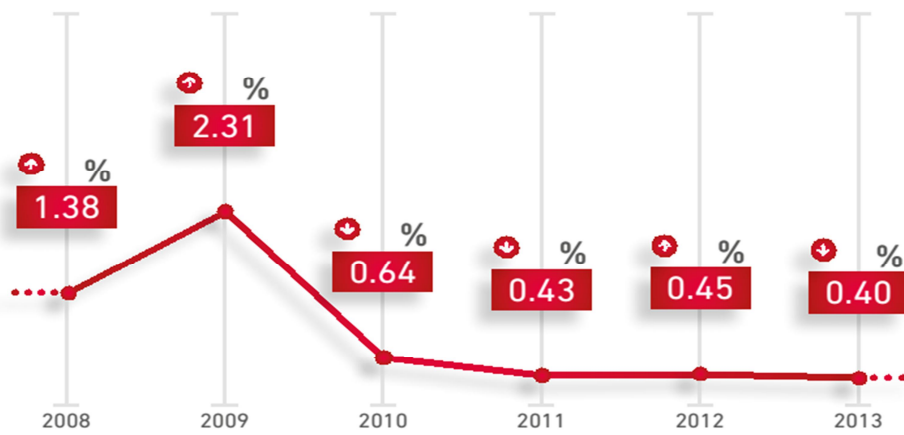
In the Banking and Finance sector, Capacity building program for Development Bank of Ethiopia and under the Economic Growth and Transformation Plan that is being carried out by the Ethiopian government with the utmost diligence, a technical cooperation project between Turkish Development Bank and the bank that assumes an active role under the project was initiated, with TIKA's assistance, a Tripartite Memorandum of Understanding was signed on 18 April 2013.

In 2014, Ethiopia requested support from the Turkish government to press for the release of a \$700 million loan that the Turkish EXIM Bank pledged to finance the construction of the African country's Awash-Woldia railway project. The 389km railway line would connect northern Ethiopia with the country's central region. Over the past 10 years, while Turkey has put in \$1.2 billion worth of investment into Ethiopia, so far. (Theafricareport.com) Main export items from Turkey to Ethiopia are metal and metal products, machines, mechanical and electrical devices and their spare parts. Main import items from Ethiopia to Turkey are vegetable (sesame, oil seeds) and animal products.

1.3- The Global Financial Crisis and its impact on China's and Turkish's Aid to Ethiopia

As many western governments and donors decrease their development aid due to aid fatigue and other factors like financial crisis, and governance conditionality's, many African states including Ethiopia are turning to China and Turkey to finance their development projects. As **Figures 1 and 3** indicated, the development assistance from China and Turkey to Ethiopia has been increasing dramatically since 2008, which means that the financial crisis has no adverse effect on China and Turkey development assistance to Ethiopia. Both China and Turkey also pledged to increase soft loans they extended to African countries in the 2012 and 2014 China/Turkish-Africa Forums. As the officials from MOFED indicated, "the amount of funding from China and Turkey, particularly from China, is increasing as the financial flow from the west is decreasing as a result of the financial flow".

Figure 3: Share of Ethiopia from TIKA budget in years (%) from 2008-2013)



Source: TIKA 2013

2- COMPARATIVE IMPACT ANALYSIS OF CHINESE AND TURKISH AID TO ETHIOPIA

As emerging donors, China and Turkish are not new to Ethiopia and Africa. However, unlike the case with traditional donors, the aid flow from both countries was very minimal until recently. Development assistance from both countries also emanated from their development experiences and has been based on the three principles of non-interference, solidarity grounded in shared experiences, and equal partnership that brings mutual benefits. For instance, massive investment on road construction has been an important element for China's success in its reform and opening-up. As Brautigam rightly indicated with regard to a Chinese saying and its implication on their development assistance, "the Chinese say at home to get rich, build a road and so they focus their aid on infrastructure" (2011: p. 1). She also added that "Chinese believe agriculture is the foundation and industry is the leading edge and agriculture and industry have always been a big component of their aid and now their economic engagement" (Ibid).

In effect, this study found significant similarities between the aid practices of China and Turkey in some important and inter-related respects. With regard to aid strategies in particular, both countries give monetary and non-monetary forms of assistance. Both countries are motivated by a combination of strategic and political interests as well as mutual benefit with commercial intent. In this regards, they do have similarity with traditional western donors in that their aid practices are tied with some conditionalities. Yet neither country has conditions of governance, democracy, and human rights. But both countries have valuable contributions to make towards Ethiopia's development in the spirit of South-South cooperation, which needs to be understood in the context of the changing global development-assistance architecture (Naidu & Herman, 2009: p. 147).

These two emerging donors, like Japan, both prefer to view its cooperation commitment as demand-driven i.e., upon the request of the recipient country rather than their own development priorities (which is typical of the aid from the West). However there are strategic considerations coupled with the ability of the recipient state to effectively utilize the aid for designed projects. We interviewed both TİKA officials in Ankara and Chinese Commercial Councilor in Turkey. They both indicated that the development assistance was given principally based on, among other considerations, the request or interest of recipient states and the capacity of the recipient countries to disburse the aid. Both countries do have their own mechanism of channeling aid, especially on their own respective forums with Africa. However, specific African country has to make request to, and negotiate bilaterally with, China and Turkey.

Chinese and Turkish assistance is also characterized by relatively faster and less bureaucratic disbursement aid regime. Several African countries, including Ethiopia, are using this advantage. The decision making process in China is far more efficient than it is that in the West. Decisions and recommendations for investment are often directed by the government and they are able to meet requests from African countries faster than the traditional donors. As a senior UN expert put it, *"If you want concrete things you go to China. If you want to engage in endless discussion and discourse you go to the normal traditional donors"* (Busia, 2011). Hence, both countries have dramatically increased their development assistance to Ethiopia, especially since 2005. However, China has raised its political profile in Ethiopia by signing numerous co-operative agreements and making more arrangements for the exchange of high-level visits between Chinese and Ethiopian officials and party-to-party communications than does Turkey.

With regard to non-monetary aid, Turkey has been providing technical assistance in capacity building, education and etc. As the current trend indicates, both countries are expected to increase their level of aid in light with their commitments at China/Turkish-Africa summits of 2012 and 2014 respectively. Also, to Ethiopia, China gives a high volume of monetary and non-monetary aid, which comes to Ethiopia in such a wide variety of forms as grants, interest free loans, concessional loans, and technical assistance. As the only country in Africa that has received support from all eight FOCAC policy measures, Ethiopia is not only the largest recipient of EXIM Bank loan but also a recipient of preferential and commercial loans from Chinese Development Bank (Gedion G. Jalata, 2014)

Neither China nor Turkey gives loans or grants for general budgets and programmed aid for Ethiopia. China, however, has been giving debt relief to Ethiopia not tied to any project or programme. For example, China cancelled a debt owed by Ethiopia and at the same time gave an interest free loan for different projects. There is hardly programme aid from either country except for the debt relief from China. (MOFED 2007) Both countries monitor and evaluate their development assistance to Ethiopia. With regards to Turkey, according to this statutory decree, TİKA also handles tasks in the area of cultural policy that do not fall under the OECD DAC definition of ODA. (Fidan, Nurdun, 2008)

On the other hand, with regard to Chinese aid, Chinese embassy, particularly the commercial councilor section of the embassy, monitors the Chinese aid projects. The Ethiopian government also approves the quality of the projects. Besides other strategic considerations, both Turkey and China also take into consideration the capacity of the recipient country to ensure proper utilization of the amount of loans granted to the recipient country. In our interview with the representative of both Chinese and Turkish officials, Ethiopia is commended for having not only a development vision but also able bureaucracy that is capable of effecting large amount of development assistance.

Both China and Turkey give scholarship for academic programmes with varying degrees. In addition, Turkey offers technical training through the Diplomacy Academy of the Ministry of Foreign Affairs and many other organizations. Information about specific courses is disseminated through Diplomacy Academy to partner countries. Ethiopia is included on the list of Diplomacy Academy countries. The Government of Turkey funds the full cost of training for the selected candidates. Many Ethiopians have received scholarships and have been trained through this scheme.

Both China and Turkey offer technical or non-monetary assistance to different sectors of the economy and specific assistance in development activities. The 16th Chinese medical teams consisting of 15 medical experts are devoted to medical service in Ethiopia. The second batch of medical equipment and materials were donated to Tirunesh Dibaba-Beijing Hospital, a hospital whose construction was funded by the Chinese government. China has also dispatched three groups of volunteers to Ethiopia for different services.

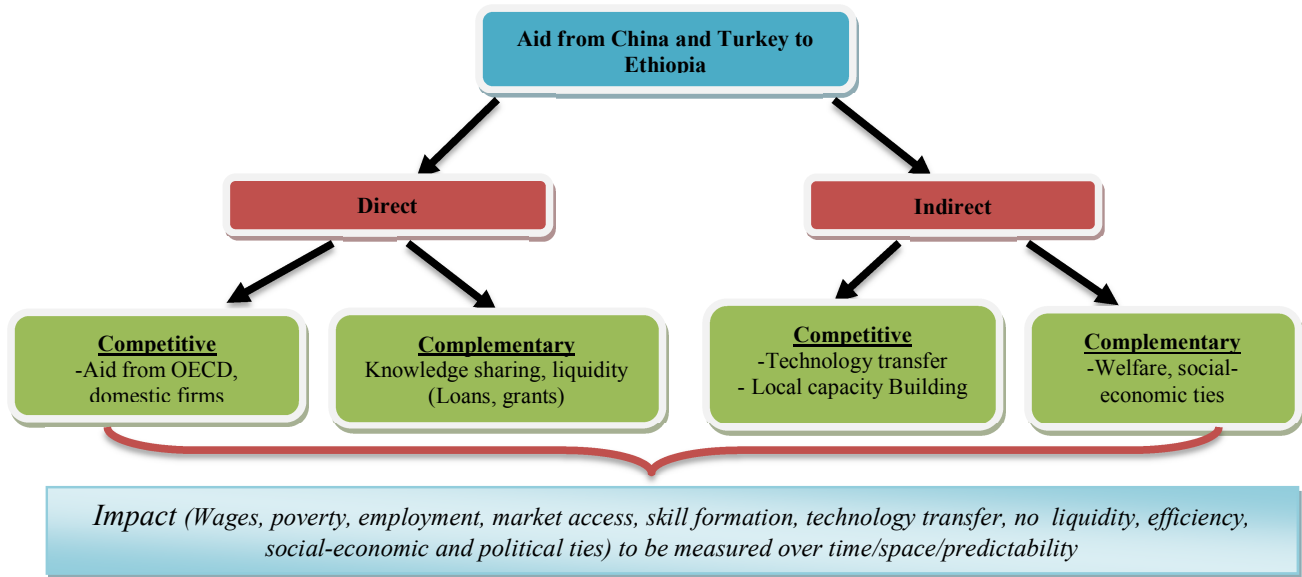
These two emerging donors also offer aid in the form of tariff exemption to some products exported from Ethiopia. During the 2003 China-Africa Forum held in Addis Ababa, the PRC delegates announced the special preferential tariff treatment program, which removed import tariffs on 190 different items including food, textiles, minerals, and machinery from twenty nine African countries, including Ethiopia. It was implemented in January 2005. The number of export items that enjoyed preferential treatment increased from 190 to 440 during the 2006 China-Africa Forum held in Beijing. Turkey also gave various trade-related initiatives to Ethiopia. Having a Free Trade Agreement (FTA) with four African countries established, Turkey is prepping to move forward with building a Turkish industrial zone in Ethiopia.

As a result, China's and Turkey's bilateral trade with Ethiopia has risen dramatically, constituting 40% of the total trade in 2012. Debt relief, which ties aid to companies and labour, is a form of aid used by China but not Turkey so far in Ethiopia. Since Turkey has started giving huge loans to Ethiopia very recently, since 2011, it remains to be seen in the future whether it has a policy of debt relief for Ethiopia or not. In 2014, Ethiopia requested support from the Turkish government to press for the release of a \$700 million loan that the Turkish EXIM Bank pledged to finance the construction of the African country's Awash-Woldia railway project. Turkish investors surpassed China in terms of investments in Ethiopia in 2014.

However, the two donors' types of aid to Ethiopia not only complement each other but also complement that of traditional donors to Ethiopia, for the three donors China, Turkey, and the traditional donors focus on different sectors of the economy, projects or programme. The traditional donors in Ethiopia, on the other hand, focused little attention on the aforementioned large scale projects given by China and Turkey. Instead, they focused on programmed aid such as budget support, education, poverty reduction, and health care. This underlines the complementary nature between traditional development partners and emerging development partners. **Figure 4**

Indeed there are also competitiveness among the three donors, which creates policy space for negotiation and leverage for Ethiopia. China and Turkey differ from western donors in the terms and conditions imposed on aid recipients. China's only condition is the adherence to its "One China" policy. China continues to assert that there is one China that encompasses the mainland and the island of Taiwan and will not, therefore, give aid to any country that recognizes Taiwan as an independent country.

Figure 4: Impact Assessment of Chinese and Turkish aid to Ethiopia



Source: Adopted and modified from Kaplinsky et al, 2006

China also makes extensive use of input conditionalities, especially tied aid. Much of this is tied to the purchase of Chinese goods and services by Chinese companies, utilizing Chinese inputs and labour. As the experience in Ethiopia has shown, once the companies finished the project aid, they will remain in the country and compete for another bid with 25% - 40% of cost reduction. This has the effect of underbidding and outbidding local construction companies. Another form of aid tying is the use of recipient country's resource to secure finance as loan or the Angola Mode as earlier noted. In this regard China is using sesame in Ethiopia as collateral.

Turkish development cooperation representatives consider the fact that Turkey does not pursue any secondary agenda but rather has cooperation as its solitary aim to be a unique feature of Turkish development cooperation (2014 interviews). However, this does not mean that Turkey's development policy has a purely altruistic motivation. As explained above the expansion and strengthening of its cooperation with other countries in various sectors plays a decisive role in the country's overriding foreign policy strategy.

Turkey, like China, views development assistance as part of *South-South cooperation*, and therefore avoids political and economic conditionalities that could be interpreted in the recipient's internal affairs. With regard to corruption and governance conditionalities, both traditional and emerging donors like China and Turkey do have rules that discourage corruption in their development assistance, yet neither seems to have rules as to when or how aid or development assistance should be restricted when a pattern of corruption characterizes an entire recipient government.

The global regime is no better institutionalized with regard to the issues of governance conditionalities like democracy and human rights in which many bilateral donors apply these conditions inconsistently. As Brutigham argued "Neither the IMF nor the World Bank (nor the Chinese) applies conditionality over democracy or human rights" (2010: p. 36). With regard to corruption, Chinese model of assistance is more effective and less prone to corruption, as the aid is unlike the case with traditional donors disbursed through state-owned corporations, which features paper accountability, especially the aid on capacity building (Muhumuza, 2012).

Table 1: A Summary of comparative aid engagements between China and Turkey to Ethiopia

Issues for comparison	China	Turkey
Ownership/Nature	Ethiopian priorities, demand driven	Ethiopian priorities, demand driven
Conditionalities	Minimal-One China policy and no governance strings attached	No governance strings attached
Tying	Tying China ties its aid to using Chinese companies and labour, procurement of materials from China.	For Turkey capacity building is often an accompanying measure in Turkish projects, and she also ties her aid to using Turkish companies.
Sectors focused (the top three)	Energy generation and supply, transport and storage, Industry.	Education, social infrastructure, administrative and civil infrastructure.
Projects given by both countries	In addition to the above three, tariff exemptions, other types of training, scholarships, and technical assistance	Emergency humanitarian assistance, training, scholarships, and technical assistance.
Unique features to each donor	Debt relief and China ties its aid using Chinese companies and labour, Preference for grandiose and prestigious projects, Cooperates through different channels like part to party relations	Turkey refrains from financing prestigious infrastructure projects.
Neglected area's	Budgetary support, programme aid	Budgetary support, programme aid
Monitoring Mechanism	Forum on China–Africa Cooperation	Turkey–Africa Cooperation Summit

Source: Compiled and analyzed by the author.

In sum, China's and Turkey's aid to Ethiopia or Africa does not necessarily exhibit a new form of behavior. Rather it shows how emerging actors enter Africa's aid architecture. The behavior of the actors reveals that of the traditional donors who give aid with one hand and retrieve it through privileging their companies, equipments, labour, consultants, unfair trade practices and debt services. Where the two actors changed is to increase the leverage of Ethiopian government vis-à-vis the traditional and other emerging donors. In this regard, Ethiopia and other African countries need to see their own role in this relationship as less of a recipient and but more of a strategic partner that has something that China and Turkey want (Naidu & Herman, 2009). For more information see **Table 1** on the comparative analysis of Chinese and Turkish Aid to Ethiopia.

3- CHINESE AND TURKISH DEVELOPMENT ASSISTANCE TO ETHIOPIA: OPPORTUNITIES AND CHALLENGES FOR ENHANCED OUTCOMES

3.1- Opportunities for Ethiopia

3.1.1 Infrastructure Development

The development assistance from China and Turkey to Ethiopia is hailed as the answer to Ethiopia's key economic challenges, especially in the country's massive infrastructure deficit. The provision and availability of well-developed infrastructure like transport, power supply and telecommunication, is key to development. Nonetheless, Ethiopia's infrastructure record is very poor and underdeveloped, which is often mentioned as an obstacle to the country's development and economic growth. The country has the lowest road density in Africa, the total road network is 33,297 km. Telephone and internet services are also very low by sub-Saharan standard, with only 8.6 landlines and 5.8 mobile phones per 1000 people respectively. Accordingly, under the Growth and Transformation Plan (GTP) from 2010 to 2015, the Ethiopian government aimed to enhance power projects from 2178 MW to 10,000 MW and boost infrastructure. For instance, Ethiopia aims to construct several railways, 500 km of railway lines by 2020 and some 1808 km of it is expected to be completed by 2015 as part of the Growth and Transformation Plan (GTP) of the government from 2010 to 2015. The development of infrastructure requires capital, skilled manpower, technology, and efficient and fast delivery of services. The pace of local capacity is, however, very slow to meet the growing developmental needs of Ethiopia. In this regard the Chinese and Turkish aid to Ethiopia is indispensable.

The Chinese development assistance has playing a crucial role in road construction, power sector and telecommunication sectors as noted above. Ethiopia also signed memorandum of understanding for hydro power potential general survey of Ethiopia with Hydro-China Corporation. In the transportation sector, currently over 70% road Construction projects in Ethiopia are carried out by Chinese construction Companies. In a similar vein, the Chinese telecom company ZTE is enhancing the country's communication capacity by providing telecom equipment.

Turkey is also emerging to be a major player in the Ethiopian economy, particularly in social and civil infrastructural sectors as indicated above. Recently Turkish companies are undertaking projects in the business sector as the Turkish Eximbank will sign a 100 million USD loan agreement to support Turkish businesspeople investing in Ethiopia,"(Turkish State Minister for foreign trade Zafer Caglayan during the Turkey-Ethiopia Trade and Investment Forum in Addis Ababa 2011) and the infrastructural sector where a \$700 million loan pledged by Turkish EXIM Bank to finance the construction of the 389km railway Awash-Woldia railway project. In addition, Turkey's prospective investments in Ethiopia would amount to some 1.4 billion USD, employing nearly 30,000 Ethiopian people. All in all the Chinese and Turkish companies are playing a pivotal role in the infrastructure development of Ethiopia.

3.1.2- Alternative Development Assistance Partners

Chinese and Turkish increased economic assistance prompted more policy options to Ethiopia and other African countries vis-à-vis the traditional donors by giving the country more alternative development partners. The coming of China and Turkey to Ethiopia also promoted the attention of other emerging powers like South Korea, India, Iran, and the Arab Countries. The lack of strings attached with aid from both countries is also welcomed by Ethiopia. China's "business is business" approach is welcome in comparison to with western aid providers who often link their contributions to the changes in the Ethiopian legal and political structure, and to the adherence to human rights and good governance norms. As the late Prime Minister Meles Zenawi of Ethiopia pointed out that "Turkey, like China, has been a most dependable and generous partner and it has always offered a relationship based on mutual respect and mutual benefit and as such their presence would enable the Ethiopia to share their experiences. (MOFED 2014, Turkish Housing Investment project)

3.1.3- Access to Market through Tariff-Free Exports

In order to facilitate the integration of the poor countries into the global trading system, China launched a Duty Free Tariff Preference (DFTP) scheme for the least-developed countries (LDCs) at the occasions of the first and second FOCAC in 2003 and 2006. Turkey on her part has Free Trade Agreements with four African countries, as well as agreements to prevent double taxation and support mutual investments, and has established business councils with 17 African countries. With the aim of expanding LDC exports, these schemes offer duty-free and tariff preference market access to goods and services originating from the LDCs. This initiative from China and Turkey has enhanced Ethiopian export to China and Turkey. Currently 40% of Ethiopian trade is with China and Turkey. China and Ethiopia had an average annual increase of 36% from 2000 to 2011 and exceeded \$1 billion for the first time in 2008. In 2009, China became the first largest trading partner of Ethiopia and since then exports from Ethiopia to China have increased over 200%. As China's minister for commerce indicated, the trade between China and Ethiopia will reach US\$3 billion by 2015 (Kone, 2011).

Likewise the trade relationship between Turkey and Ethiopia is increasing dramatically. Turkey's exports to Ethiopia are around \$170 million annually, while it imports up to \$45 million. Ethiopia and Turkish bilateral trade is also expected grow, as Turkish firms invested \$50 million in Ethiopia in 2005 and there are now 341 Turkish companies with a total investment of \$3 billion in the country. (Embassy of Ethiopia: 2014). Thus, Chinese and Turkish trade relations with Ethiopia are breaking the relation the West had with Ethiopia over centuries. However, the balance of payment is not dissimilar from Ethiopia's trade relations with the West.

3.1.4- Investment through Concessional Loan and CAD Fund

Chinese and Turkish development assistance is often delivered as part of a larger package of investments and trade deals, blended with much larger non-concessional loans and export credits. In the past four to five years Turkish and Chinese companies, as the second and the third largest foreign investors to Ethiopia next to Saudi Arabia, are generating lots of employment opportunities. Especially China through CAD fund has invested around 2 billion dollars within the last four years, which is promoting Chinese investment in Ethiopia in infrastructures, agriculture, and other sectors, with particular interest in the manufacturing industry in Ethiopia. The fund has already invested in four big projects including glass factory, leather processing factory, cement plant, and a four-star hotel. Thus the investments from Turkey and China have created huge permanent and temporary employment opportunities for Ethiopian citizens.

3.1.5- Human Resource Development

Since 2001, the Ministry of Education of China has dispatched 89 teachers for TVET training to Ethiopia. Ethio-China Polytechnic College aided by China has been in operation for more than two years and 10 teachers dispatched by the Chinese Government have joined the running of College Ethiopia. Ethiopia is also the first country in Africa to which China sent its volunteers. To promote cooperation for capacity building, TIKA provided the equipment, materials and furnishing for the training center. Under the programs to strengthen administrative and civil infrastructure in the period of 2003-2013, more than 27,000 persons were trained in various vocational training programs, and more than 8,000 experts were seconded for on-site training. Training programs are delivered to develop human resources almost in all fields including tax practices, developing judicial systems, strengthening national police, training young diplomats, e.t.c. The Foreign Young Diplomats Training Programme has since 2005 trained over 800 diplomats. Under the "International Police Training Cooperation Programme," 333 courses were organized the end of 2013 providing training to 3,927 police officers from 18 countries.

3.2- Opportunities for China and Turkey

3.2.1- Economic Benefits

As previously highlighted, both China and Turkey are getting diverse economic benefits because of their development assistance or investment to Ethiopia such as market potential for their products tied to loans, promotion of trade, profit-earning of hard currency for their companies, and employment opportunity for Chinese citizens. Ethiopia could be a commercial launch pad for Chinese and Turkish companies. The two countries are also interested in a market for their exports that will expand along with the rapid growth of Ethiopia's economy. A significant portion of China and Turkish aid activities in the areas of transport, power, industry, capacity building and telecommunications appears to fall within the scope of aid for trade, and comes as a potential source of materials including oil in the near future. Cooperation is used as a means for promoting Turkey's interests in terms of security policy and foreign economic policy. In this context, development assistance is also used as a foreign policy instrument in order to gain support for Turkish concerns in international forums and to flank the expansion of Turkey's foreign trade.(Nurdun 2010; Şahin 2009; Gazanfer 2011).

During the last few years, Turkish companies have also won various government contracts in Ethiopia against tough international competition. Turkish companies from public and private sectors have secured several contracts in the infrastructure sector, textile, construction materials production, railway, housing, and water resources. "Turkey leads the pack of industrialized countries in terms of foreign direct investment in Ethiopia, with more than 350 Turkish companies operating in Ethiopia to date and they have created jobs to more than 50,000 Ethiopians," as well as providing for technology and knowledge transfer. According to the Turkish Ambassador to Ethiopia, Osman Riza Yavuzalp, Turkish investment in Ethiopia stands at US\$3 billion.

"We will increase economic, trade and investment ties with Ethiopia" said Turkish President Recep Tayyip Erdogan on His visit in Ethiopia in 2015. According to Turkish government data, the volume of trade between Ethiopia and Turkey reached US\$422 million in 2013, and in the first 11 months of 2014 it was US\$360 million, seven percent down on the previous period in 2013. A statement from the Turkish Presidential Palace said Turkey had *"increasing economic, trade and investment ties with the countries in the region especially with Ethiopia."* Currently Turkish companies are the major investors in Ethiopia with around \$2.3 billion. The investment could triple if Ethiopia allowed Turkish banks to operate in Ethiopia making international money transfer of Turkish companies easy, Erdem Karal, Second Secretary at the Turkish Embassy (talking to newBusinessEthiopia.com reporter) in Addis Ababa.

3.2.2- Strategic and Diplomatic Opportunities: As the Seat of AU and UN Agencies

These two emerging donors are also using their development assistance to promote their political and diplomatic interests abroad. A poor, landlocked nation, Ethiopia currently lacks the vast natural resources that have drawn China and Turkey, though in the near future the prospect for oil is high, which enhances the development assistance to higher level. Yet Ethiopia plays an important role in African politics because of its strategic location in the region as the seat of a continental political body like the African Union and other agencies of the UN as well as World Bank and IMF. Ethiopia is the source of the Blue Nile; it is the meeting ground between largely Muslim North Africa and the Christian south. Hence, Ethiopia has become a focus of China's and Turkey's wider ambitions in Africa and the changes it signifies for the region.

In this regard, the current Ethiopian President Mulatu Teshome played a vivid role in making Ethiopia the political and investment destination of Turkish top politicians and businessmen. Also 2005 was declared as a "Year of Africa" by the Turkish Government and Turkey was accorded observer status by the Africa Union the same year. 2008 has a particular significance in the development of the Turkish-African relations. In that year, the African Union, at its 10th Summit, declared Turkey as a strategic partner of the Continent. Furthermore, the "Turkey-Africa Cooperation Summit" was held with the participation of 49 African countries on 18-21 August 2008, in İstanbul. The Summit initiated a steady and sustainable cooperation process.

The Ethiopian government also played a major role in the creation of FOCAC in 2000 from the Africa side, and the second FOCAC was held in Addis Ababa in 2003. As CPPCC National Committee Chairman, Jia Qinglin 贾庆林 said "Ethiopia is an influential country in Africa ...and active promoter of FOCAC...and made outstanding contributions to promoting the development of China-Africa friendly relations and cooperation, which the Chinese side highly appreciates"(China Embassy in FDRE, 2012). China in return among others constructed a new conference center for the African Union, which comprises a 99.9-meter-high office building and a 30-meter-high conference hall with a vault covering 11.3 hectares. And its cost, which is worth 200 million USD, is fully covered by the Chinese Government.

3.2.3- Winning Diplomatic Support at the International Level

Both countries, by offering aid without political conditions, presented attractive alternative to conditional Western aid to Ethiopia, and have gained valuable diplomatic support to defend their international interests. For instance, Turkey and China wants to win Ethiopia's diplomatic support in the United Nations and other international and regional forums, since Ethiopia has geopolitical influence in the region. Turkey stands for reform of global political and economic institutions, including the UN Security Council. Turkey will be striving towards a new international order that will be based among other things on dialogue, multilateralism and an economic order based on justice and equality (Davutoğlu 2012a, 5) With regard to the

stronger positioning of Turkey within the multilateral framework as promoted by Davutoğlu it is noticeable that in the years 2009/2010 Turkey held a nonpermanent seat in the UN Security Council for the first time since 1961 and is once again running as a candidate for a seat in the 2015/2016 period. Turkey has also been hosting more conferences of various international organizations (including NATO, the International Monetary Fund, the World Bank and the United Nations, among others) in recent years. In addition to this, the Organization of Islamic Cooperation has been led by a Turkish General Secretary since 2005 and in 2015 she will be hosting the G20 summit.

4- Challenges of China's and Turkish's Development Assistance to Ethiopia

4.1- Tied Aid

Both Turkey and China tie aid. Though the two emerging economies do not have governance related strings, they tie aid with other economic and diplomatic conditions. For instance, the variety of loans from China are tied to using Chinese companies and procurement of materials from China and diplomatic conditions, e.g., 70% construction and civil engineering to be awarded to Chinese companies, which adversely affects wider spillover effects on local economies, job opportunities, and wider knowledge skill transfers. This has underbidding and out bidding effects on local companies because Chinese companies do have 20% - 25% and sometimes 40% of cost reduction when they compete for bid. The One-China policy is also another diplomatic condition to extend Chinese development assistance to African countries.

The same can be said of Turkish aid except labour. Turkey tied its loan as an entry point to its private companies. However, as indicated in Paris Declaration on effectiveness of aid, tying aid is one of the main causes of its ineffectiveness. In this regard, emerging donors like China and Turkey needs to confirm commitment to Paris Declarations by untying their development assistance; and Ethiopia should negotiate to maximize the benefits and minimize the losses from the development assistance.

4.2- Domination and Fear of Over-Dependency

The other risk closely following from tied aid is monopoly and fear of over-dependency. Some of the Chinese and Turkish projects are not commercially won through competitive bids. Instead, they are financed through tied aid. For instance, ZTE is providing 100% telecom equipment for ETC, which is the sole telecommunication operator in Ethiopia. Such a trend is in turn feared to create over dependency; because once the existing telecommunications equipment is replaced by Chinese new equipment and become operational it would be very difficult to use other spare parts and technology like Nokia, since the Chinese technology is not easily compatible with others. This in turn will sustain Chinese monopoly in this sector. Moreover, this development discourages the competitiveness and efficiency of developing infant local companies. Hence, the Ethiopian government needs to be cautious about such a dangerous trend.

Turkish like China is using foreign aid as one of the instruments to achieve its foreign policy objective of encouraging Turkish public and private companies in profitable investment and carry out development projects supported by Turkish government in African countries including Ethiopia. The Awash to Woldiya rail way project in Ethiopia has been undertaken by the Yapi Merkezi Company through tied Turkish aid.

4.3- *Absence of Transparency and Corruption*

Mutual accountability and transparency is one of the partnership commitments of the Paris Declaration and Busan Outcomes Documents, which are imperatives to promote accountability between donors and recipient countries, and other concerned by knowing who funded what and for whom, what projects are funded for what purpose and where. Hence, transparency is important to improve effectiveness of aid and reduce corruption. However, lack of transparency in aid and finance agreements is another challenge of the development assistance coming from China and Turkish to Ethiopia. There is some information on Chinese and Turkish Aid at general level because of their pledge at forums either China-Africa or Turkey-Africa forums yet there is apparent lack of information at a country level.

In addition, both are amongst non-DAC donors including India, Brazil and Russia that do not report their aid. Chinese and to some extent Turkish aid are also tied to grants and take place at executive levels at the stage of negotiations. The side-stepping of institutions promotes corruption and undermines the good governance initiatives in Africa. As corruption is one of the top governance and development challenge of Ethiopia and Africa. Africa is losing 150 billion USD because of corruption according to AU 2003 report. The same can be said of Turkey to some extent. Turkey still does not have an overriding strategy for its development cooperation, which is why the decision on which project will be funded is primarily a political one and sometimes seems to be random. The Turkish government is currently working on such a strategy. It can be assumed that the gradual professionalization of Turkish development policy will also lead to a more strategic approach in the near future. Limited predictability is one consequence of the lack of conceptual frameworks. There are still no Country Strategy Papers, for instance.

It is important to note that both traditional and emerging donors like China and Turkey do have rules that discourage corruption in their development assistance or aid. Yet neither seems to have rules for when or how aid or development assistance should be restricted when a pattern of corruption characterizes an entire recipient government. The global regime is also not well institutionalized with regard to issues of democracy and human rights in which many bilateral donors apply these conditions inconsistently. As Deborah, confessed "Neither the IMF nor the World Bank (nor the Chinese) apply conditionality over democracy or human rights" (2010).

4.4- *Insufficient Technological Transfer*

Chinese companies are criticized for excessively employing Chinese professionals. With few exceptions, Chinese companies do not also place locals in key managerial posts; they employ locals for the administrative and low paid jobs like clerks, secretaries, guards etc. Some even say these positions are left for the locals because the companies are not allowed to bring their own non-skilled employees. This in turn, hampers the local employees from acquiring new technologies and managerial skills. As a Chinese scholar put it, "...Chinese entrepreneurs are accustomed to bringing laborers from China and most management positions are filled by Chinese nationals. From an economic perspective, it is more efficient and convenient for Chinese entrepreneurs to recruit skilled workers in China than to train local workers", (Li Anshan, 2007: p. 81). Moreover, almost all of the Chinese companies engaged in big projects conduct researches in the headquarters rather than basing it in Ethiopia, which in turn discourages the intended technological transfer. Most of the materials used by Chinese and Turkey companies are imported from them, which therefore excludes and discourages possible local suppliers. But as for Turkey the situation is a little bit different because Turkey in its cooperation stresses on capacity building as well as hope to recruits laborer's locally for any project to being implemented.

4.5- *The South-South Development Model*

Chinese and Turkey developmental model indicated the role played by the state in regulating the economy, guiding the market, and reducing poverty while registering continuous economic growth. However, Chinese and Turkish development assistance generally comes with no strings attached; but the lack of requirements for better governance or social programs would mean that the availability of Chinese and Turkish aid may undermine African governance. Some African states including Ethiopia attempts to define the "developmental states" partly as their response to East Asian and more particularly to China's economic growth success. Chinese model of development showed economic growth without civil liberties or participatory democracy. The development model also discredits the notion that an autonomous civil society is central to development. This may adversely affects the democratization process in Ethiopia.

4.6- *Debt Sustainability*

China is providing commercial loans to African nations including Ethiopia that have just received debt relief, thereby sometimes forcing them back into a cycle of mounting indebtedness. However, China defends such allegations by its policy of debt cancellations and debt rescheduling based on indebted countries request; yet this might motivate Ethiopia to continue borrowing and seeking of Chinese loans, which reinforces new debt cycle. Besides, this scheme is only available for countries that have continued diplomatic relations with China (Brautigam, 2010).

On the other hand, the government of Turkey argues that Turkish aid is mutually beneficial because the aid is not linked to Turkey's domestic demand. For instance, the Awash to Woldiya rail way project in Ethiopia undertaken by the Yapi Merkezi Company is a loan, and destined to encourage regional integration and promote sustainable development. However, despite the good intention, if Ethiopia is not able to pay back the loans, it may serve as political leverage for Turkey to advance political and economic interest as the West has been doing. In addition, it may exacerbate the debt crisis the country is currently facing. In this regard, Ethiopia needs to prepare a strategy to reduce dependence on continued assistance from China and Turkey and also other donors incrementally.

5- Conclusion and Policy Recommendations

5.1- Conclusion

This study clearly showed from analysis that the potential positive impact of Chinese and Turkish aid on Ethiopia is significant yet not deprived of challenges. Development assistance from China and Turkey has offered benefits to Ethiopia for infrastructural development. For instance, it has provided alternative development partners especially at this time of financial crisis, access to market through tariff-free exports, new investments, human resource developments, and employment creation, and relevant development experiences. This helps Ethiopia to sustain its impressive economic growth and development. Both China and Turkey are proactive in their engagement with Africa and Ethiopia, and do have African policies, which they are implementing. There are also several factors forcing China and Turkey to provide development assistance to Ethiopia. Consequently, both countries stand to benefit from increasing involvement with Ethiopia. Economically, there are emerging opportunities in infrastructure projects in roads, power, telecommunications, water resources, gas exploration, wind-based energy, hydropower projects, machinery and engineering goods, and general trade. The two emerging donors are also benefiting politically and diplomatically in terms of their aspirations to be regional and global leaders. Both are reemerging donors in Ethiopia yet China's development assistance is comprehensive by providing variety of aid as noted above. As the current bilateral cooperation indicates both Ethiopia and China are said to be in their "honey moon".

The two donors' types of aid to Ethiopia complement each other and they also complement and compete aid from traditional donors to Ethiopia. The three donors: China, Turkey, and the traditional donors; focus on different sectors of the economy with their individual projects or programmes. The traditional donors in Ethiopia focused on programmed sector like budgetary support, and offered support to other sectors like education, health care, poverty reduction through protection of basis services. In addition, they also focused on humanitarian aid as well as promotion of good governance, human rights, and democracy. Of course there is also competitiveness among the three donors, which creates policy space for negotiation and leverage for Ethiopian government.

Chinese and Turkish assistance is also characterized by relatively less bureaucratic, and fast disbursement aid regime. Several African countries, including Ethiopia, are using this advantage. The decision making process in China is far more efficient than it is in the West. Decisions and investment recommendations are often directed by the government, and they are able to meet the requests from African countries faster than the traditional donors did. But the development assistance from these two countries is not deprived of such challenges as tying aid, monopoly, fear of over-dependency, lack of transparency, corruption, insufficient technological transfer, Chinese development model, and debt sustainability. Hence, the following interventions are crucial and they could be implemented unilaterally by African countries like Ethiopia and bilaterally through the joint effort of the two:

5.2-Policy Recommendations

5.2.1- Recommendations for Ethiopia and other African Countries

- 5.2.1.1- ***Developing a good understanding of Chinese and Turkish approach to aid.*** As indicated from the outset of this study, both Chinese and Turkish aid came under the influence of certain commercial intention and it is more of development investment than pure aid. This enables Ethiopia to better coordinate and shape its own agenda vis-à-vis those of China and Turkey. In this regards, it is important that projects should be fully agreed upon by both Ethiopian government and the governments of the donors, namely China and Turkey, prior to implementation for win-win effects;
- 5.2.1.2- ***Ensuring quality of projects:*** The quality of the projects that are fully funded by the Chinese and Turkish governments, occasioned by uncompetitive bidding practices, and carried out in unsafe production method should be evaluated by independent experts as the informants from different government ministries like Road Authority, telecommunications among others mentioned. Unsafe working conditions in China lead to the death of 320 Chinese people each day (Li Anshan, 2007: p. 85). Hence, Ethiopia should monitor and follow up the quality of the services and products provided by Chinese and Turkish companies. For those high tech equipment's and services provided by Chinese and Turkish companies, Ethiopia needs to hire competent professionals and consultants to check on the quality. Ethiopia should also encourage and support local companies to enhance their capacity. There is a good move in this regard; Ethiopia in the GTP of the country from 2010 to 2015 reserved some of the infrastructure development to local companies;
- 5.2.1.3- ***As for ownership, management and incremental leveraging of the aid flows to Ethiopia,*** Ethiopian government must strategize and negotiate for win-win situation. Specifically, they should do so for greater national economic effects by negotiating for quotas for employments of local professionals and non-

professionals, technological transfer, and subcontracting to local suppliers so as to make the relations mutually beneficial. The government has to also encourage Chinese and Turkish projects and companies to use locally made inputs rather than depending entirely on their own consumable and non-consumable products. In this regard, Chinese companies are required to come with open plans for Africa;

- 5.2.1.4- ***Project aid must be executed as part of a broader development strategy.*** Project aid covers many different activities but it is intended for a specific purpose. The main purpose of such aid is to achieve specific and concrete outputs, with many projects attempting to fill gaps by providing resources, skills, and systems which the recipient country needs due to their lack of the required programme aid.
- 5.2.1.5- ***National planning is important in the efforts to maintain and sustain large scale projects financed or constructed recently by China, Turkey, and other donors.*** Large scale projects maintenance like infrastructures is cheaper than construction. This can be done either by Ethiopia alone or in close collaboration with China and Turkey to build Ethiopia's capacity to maintain and sustain large scale projects. This needs a strategy to transfer technology from re-emerging donors;
- 5.2.1.6- ***Ethiopia and other African countries should come up with proactive policies and strategies and engage BRICS and other traditional donors'*** development assistances at state, sub regional, and continental levels. In this regards, Ethiopia and other African countries should be prepared for negotiations from a stronger and more informed platform. The Ethiopian government's 5-year Growth and Transformation Plan (GTP) is encouraging because it aims to upgrade the infrastructure level of the country through different mechanisms. One of them is through development assistance from the BRICS countries.
- 5.2.1.7- ***Ethiopia and other African countries should develop a policy on incremental reduction of dependence on aid.*** In this regard both China and Turkey can be cited as role models. Up until the mid-1990s, Turkey increasingly relied on ODA from OECD countries, at one point even becoming the world's largest aid recipient. However, today, as a consequence of its economic rise, foreign aid has become only a marginal feature in Turkish's overall economic development, accounting for less than 0.2% of the country's GDP. China's aid as a proportion of GDP also dropped from 0.6 per cent in 1990 to 0.1 per cent in 2003. At the continental level, Africa has currently half a trillion dollars in reserves, strictly around \$510 billion, which is greater than that of India and Brazil. Africa then must invest some amount of its reserves in an Africa infrastructure Bond, prioritized by the Regional Economic Communities and managed by the African Development Bank (AfDB) or with other arrangement (ECA, 2012).

5.3-Recommendations for China and Turkey

- 5.3.1- Untying their development assistance is recommended because it is one of the major principles of both the Paris Declaration and Busan Outcomes Documents as well as the eight principles for China's aid to foreign countries;
- 5.3.2- Also recommended is the increase of financial transparency in their development assistance to Ethiopia and other countries through publishing in one report or making the figures accessible, which will help the analysis on the impact of their development assistance on growth, development, aid effectiveness, debt sustainability, etc.;
- 5.3.3- Chinese and Turkish development assistance should address the rapidly evolving economic, social and security environments in Ethiopia and Africa. In this regard, they will need to adjust their development assistance accordingly rather than lagging behind; and
- 5.3.4- Finally, China's and Turkey's development assistance also requires cooperation with other donors so that resources are utilized in ways as effective as possible and for the maximum benefit of Africa through their technical assistance in areas of, especially, health, education, and so forth. A good example can be done with the application of the **Triangular form of development cooperation**, which warrants the cooperation between a traditional, non-traditional and developing country. This will be very advantageous for a country like Turkey, because she has already pro-Western conceptions in her foreign policy. Besides, Turkey differs from other new donor countries particularly due to its proximity to the OECD DAC. Turkey is pursuing a similar concept of development cooperation and shares the basic values of the DAC donors. Triangular cooperation could also a positive impact on Turkey's strive to join the European Union.

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ABBREVIATIONS AND ACRONYMS

<ul style="list-style-type: none">- ADB: Asian Development Bank- AFAD: Afet ve Acil Durum Yönetimi Başkanlığı (Prime Ministry Disaster and Emergency Management Presidency)- AfDA: African Development Bank Africa- AKP: Adalet ve Kalkınma Partisi (Justice and Development Party of Turkey)- AUC: African Union Commission Başkanlığı (Presidency for Turks Abroad and Related Communities)- CADF: China Africa Development Fund- DAC: Development Assistance Committee (Organisation for Economic Co-operation and Development)- DCD: Development Co-operation Directorate (Organisation for Economic Co-operation and Development)- DPA: Development Partnership Administration- DTIS: Diagnostic Trade Integration Study- ECA: Economic Commission for Africa- EIF: Enhanced Integrated Framework- EPRDF: Ethiopian People Revolutionary Democratic Front- ETC: Ethiopian Telecommunication Corporation- EU: European Union- EXIM: Export Import Bank- FAO: Food and Agriculture Organization of the United Nations- FDRE: Federal Democratic Republic of Ethiopia- ICBC: Industrial and Commercial Bank of China	<ul style="list-style-type: none">- FOCAC: Forum on China-Africa Cooperation- G20: Group of 20- G77: Group of 77- G8: Group of 8- IHH: İnsan Hak ve Hürriyetleri ve İnsani Yardım Vakfı (Foundation for Human Rights and Freedoms and Humanitarian Relief)- MDGs : Millennium Development Goals- MOFED: Ministry of Finance and Economic Development- NGO: Non-governmental organization- ODA: Official development assistance- OECD: Organisation for Economic Co-operation and Development- PRC: Peoples Republic of China- SADEC: Southern Africa Development Community- TASAM: Turkish Asian Center for Strategic Studies- TCDC: Technical cooperation among developing countries- TCS: Technical Co-operation Scheme- TDV: Türkiye Diyanet Vakfı (Turkish Religious Affairs Foundation)- TİKA: Türk İşbirliği ve Koordinasyon Ajansı Başkanlığı (Turkish Cooperation and Coordination Agency)- YTB: Türkiye Cumhuriyeti Başbakanlık Yurtdışı Türkler Ve Akraba Topluluklar- ZTE: Zhong Xing Telecommunication Equipment Company
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