

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET



People's Republic of China: 2018 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
1,815.58	778.47	22.18	-	2,616.24

- = nil.

Notes: Commitment is the financing approved by the ADB Board of Directors or Management for which the investment agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and technical assistance include ADB-administered cofinancing.

ADB recently moved from an infrastructure-based support model for the PRC to a model that will improve the quality of economic growth by underlining environmental protection and social sector development.

PEOPLE'S REPUBLIC OF CHINA

People's Republic of China: Cumulative Lending, Grant, and Technical Assistance Commitments^{a, b, c}

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	241	5,526.66	14.06
Education	32	564.35	1.44
Energy	190	6,572.57	16.72
Finance	93	1,044.01	2.66
Health	25	166.83	0.42
Industry and Trade	60	1,013.15	2.58
Multisector	42	536.86	1.37
Public Sector Management	137	73.77	0.19
Transport	255	18,026.63	45.86
Water and Other Urban Infrastructure and Services	125	5,784.76	14.72
Total	1,200	39,309.60	100.00

^a Grants and technical assistance include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of commitments.

^d Numbers may not sum precisely because of rounding.

The People's Republic of China (PRC) is transitioning to a new high quality development model that emphasizes innovation, productivity, sustainability, social inclusion, and more sophisticated "well-being". The Asian Development Bank (ADB) is supporting the country's reform agenda by addressing institutional gaps between the central and local governments, especially in less developed provinces, and promoting innovations that will foster inclusive and environmentally sustainable development and promote regional cooperation and knowledge sharing.

ADB has been working with the PRC since 1986. The country has been the bank's second-largest sovereign borrower and is a major contributor to ADB development finance and knowledge sharing initiatives.

Since 1986, ADB has approved \$36.62 billion in sovereign loans and \$4.13 billion for private sector operations (excluding B Loans) in the PRC. In 2018, the bank committed around \$1.8 billion

for 9 sovereign loans and \$22 million for 36 technical assistance projects.

Cumulative loan and grant disbursements to the PRC amount to \$29.24 billion. These were financed by regular ordinary capital resources, and other special funds.

ADB-SUPPORTED PROJECTS AND PROGRAMS

In 2018, ADB continued to support the PRC via local government programs that promoted sustainable and inclusive economic development. The bank and the Government of the PRC signed a memorandum of understanding to support the implementation of the country's rural vitalization strategy.

People's Republic of China: Ordinary Capital Resources Nonsovereign Commitments by Product, 2007-2018

No. of Transactions Signed	35
	Amount (\$ million)
Loans	3,189.98
Equity Investments	122.43
Guarantees	-
Total	3,312.42

- = nil.



Through the strategy, ADB will help promote integrated rural and urban development, improve public health and education services, expand elderly care, identify appropriate job training, and deliver employment assistance for the rural poor.

To help tackle climate change and enhance environmental sustainability, ADB supported the integrated development of the Yangtze River Economic Belt, signing a \$150 million loan to protect the PRC's Chongqing Longxi River Basin which would benefit around 895,000 people. The bank also helped improve air quality in the Beijing–Tianjin–Hebei region through a \$499 million loan to establish a regional facility to demonstrate advanced technologies for reducing emissions and controlling pollution. The project is expected to reduce carbon dioxide emissions by 5 million tons annually.

In December, ADB and the PRC signed a \$150 million loan for municipal waste management in the Xiangjiang River watershed of Hunan Province. The loan will help reduce discharge of long-term pollutants, directly benefitting 6.9 million people. Meanwhile, a \$310 million loan to help Heilongjiang Province diversify away from coal will help the province's cities transform to vibrant, green, clean urban centers, with

new and attractive jobs in sustainable industries.

ADB supported the development of elderly care facilities in the PRC through a \$50 million results-based loan. The project will help Yichang City in Hubei Province combine with the private sector to pilot integrated residential, community, and home-based elderly care services that are expected to benefit around 3,000 older people yearly by 2022.

ADB participated in the midterm review of the PRC's 13th Five-Year Plan for 2016–2020 and provided technical assistance for the preparation of the 14th Five-Year Plan covering 2021–2025. The bank also published a book on its 30-year partnership with the PRC.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments from ADB's own funds (in equity and direct loans) in 2018 amounted to \$3.14 billion for 32 transactions in economic and social infrastructure, the finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2018, ADB mobilized \$3.17 billion of long-term cofinancing and \$3.99 billion

of cofinancing in trade finance, microfinance, and supply chain finance programs. Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$12.7 billion as of 31 December 2018.

COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade Finance Program and Supply Chain Finance Program.

ADB began cofinancing operations in the PRC in 1988. Since then, cumulative direct value-added (DVA) official cofinancing commitments for the PRC have amounted to \$2.16 billion for 33 investment projects and \$61.2 million for 116 technical assistance projects. Cumulative DVA commercial cofinancing for the PRC has amounted to \$2.4 billion for 22 investment projects.

People's Republic of China: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2006	100.0	1
2007	100.0	2
2008	100.0	1
2009	100.0	7
2010	100.0	3
2011	100.0	6
2012	83.3	6
2013	100.0	7
2014	100.0	8
2015	100.0	3
2016	87.5	8
2017	100.0	3
2018	90.0	10
Total	95.4	65

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample sizes, success rates do not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2018.

People's Republic of China: Projects Cofinanced, 1 January 2014–31 December 2018

Cofinancing	No. of Projects	Amount (\$ million)
Projects	18	3,460.91
Grants	2	5.10
Official loans	6	1,796.34
Commercial cofinancing	10	1,659.47
Technical Assistance Grants	23	15.49

People's Republic of China: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2017–2018

No. of Ongoing Loans ^a (as of 31 Dec 2018)	2017 (\$ million)		2018 (\$ million)	
	2017 (\$ million)	2018 (\$ million)	2017 (\$ million)	2018 (\$ million)
Contract Awards ^{b,c}	1,311.17	1,219.52	0.17	0.00
Disbursements ^b	1,376.11	1,466.82	0.39	0.07
No. of Ongoing Grants ^a (as of 31 Dec 2018)	1		10	
Contract Awards ^{b,c}	0.17		0.00	
Disbursements ^{b,d}	0.39		0.07	
Actual Problem Projects (%) (as of 31 Dec 2018)	10		10	

0.00 = amount less than \$50,000.

^a Based on commitments.

^b Includes closed loans/grants that had contract awards or disbursements during the year.

^c Excludes policy-based lending/grants.

^d Includes only Asian Development Fund and other ADB special funds.

People's Republic of China: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2017		2018		Cumulative (as of 31 Dec 2018)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	2,024.88	19.86	2,516.83	20.06	31,961.63	17.67
Consulting Services	17.83	2.39	24.37	3.50	192.41	1.52
Total Procurement	2,042.71	18.66	2,541.21	19.19	32,154.04	16.61

Top 5 Contractors/Suppliers from the People's Republic of China Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2014–31 December 2018

Contractor/Supplier	Sector	Contract Amount (\$ million)
China Communications Construction Co. Ltd.	ANR, TRA	659.00
Sinohydro Corporation Co. Ltd.	ANR, ENE, TRA, WUS	557.56
China Railway Construction Co. Ltd.	ANR, EDU, ENE, TRA, WUS	512.79
Xinjiang Beixin Road and Bridge Group Co. Ltd	ANR, TRA	289.56
China Gezhouba Group Co. Ltd.	ANR, TRA, WUS	288.54
Others		9,074.05
Total		11,381.51

ANR = agriculture, natural resources, and rural development; EDU = education; ENE = energy; TRA = transport; WUS = water and other urban infrastructure and services.

Top 5 Consultants from the People's Republic of China Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2014–31 December 2018

Consultant	Sector	Contract Amount (\$ million)
Energy and Environmental Development Research Center	ANR, EDU, ENE, TRA, WUS	8.96
Easen International Co. Ltd.	ANR, TRA, WUS	6.58
China Urban Construction Design and Research Institute Co. Ltd.	ANR, TRA, WUS	5.34
Naree Consulting Ltd.	ANR, HLT, PSM	2.82
ESD China Ltd.	ANR	2.65
Individual Consultants		28.80
Others		35.65
Total		90.78

ANR = agriculture, natural resources, and rural development; EDU = education; ENE = energy; HLT = health; PSM = public sector management; TRA = transport; WUS = water and other urban infrastructure and services.

In 2018, the PRC received a loan cofinancing of \$600 million from the Bank of Beijing and Huaxia Bank for the project [Air Quality Improvement in the Greater Beijing–Tianjin–Hebei Region – China National Investment and Guaranty Corporation's Green Financing Platform](#).

A summary of projects with cofinancing from 1 January 2014 to 31 December 2018 is available at www.adb.org/countries/prc/cofinancing.

PARTNERSHIPS

The PRC provided \$210 million to the [Asian Development Fund](#) between 2005 and 2016. In July 2017, ADB and the Government of the PRC signed a contribution agreement on the country's financial contribution of \$50 million to the [PRC Poverty Reduction and Regional Cooperation Fund](#). This allows ADB to extend technical assistance and grants that support poverty reduction, regional cooperation, and knowledge sharing to developing member countries. Since 2005, the PRC has provided \$90 million to the fund. By 31 December 2018, a total of 88 technical assistance projects (equivalent to \$45.3 million) and one grant project (equivalent to \$1 million) had been committed.

ADB and the government jointly review the country portfolio performance on a regular basis and work on streamlining business processes. ADB has implemented several initiatives to improve the efficiency and effectiveness of its PRC portfolio administration. These include implementing procurement reforms; providing practical training on project management, safeguards, procurement, and disbursement; and rolling out a web application for client disbursements.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$10.2 billion in 2017 and \$12.55 billion in 2018. Cumulative procurement since 1966 has been \$180.86 billion covering 215,461 contracts.

In the PRC, 11,971 contracts worth \$31.96 billion have been awarded to contractors and suppliers since 1986.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$746.79 million in 2017 and \$696.18 million in 2018. Cumulative procurement since 1966 has been \$12.7 billion covering 59,248 contracts.

In the PRC, 2,932 contracts worth \$192.41 million have been awarded to consultants since 1986.

OPERATIONAL CHALLENGES

ADB recently moved from a national infrastructure-based support model

for the PRC to a model that focuses on the institutional challenge of helping local governments improve the quality of economic development on the ground. This change aims to support national government priorities to foster better urban–rural integration, tackle climate change, protect the environment, and promote regional cooperation and integration. New ADB-supported projects are applying innovation at local government level, taking an integrated approach, engaging an increased number of implementation agencies, and encouraging multisector coordination. As the projects become more complex and are implemented by lower-tier governments in less-developed regions, capacity building activities need to be intensified.

FUTURE DIRECTIONS

ADB's [country partnership strategy, 2016–2020](#) for the PRC is fully aligned with the government's 13th Five-Year Plan and the bank's approach to supporting upper middle-income countries.

ADB has started preparing a new strategy to cover 2021–2025, which will align closely with the PRC's 14th Five-Year Plan and the priorities of ADB's [Strategy 2030](#). The bank will continue to focus on addressing the institutional challenge of implementing national policy priorities and support the PRC in areas where it can add most value, such as developing pilot projects and policy innovations, strengthening institutions, promoting reforms and capacity building, expanding private sector operations (including public–private partnerships), promoting advanced technologies, and sharing best practices.

Regional and global public goods, climate change and the environment, regional cooperation and integration, and emerging social issues (such as aging) will be key considerations of ADB operations in the PRC. ADB and the PRC promote regional cooperation through

the [Central Asia Regional Economic Cooperation \(CAREC\)](#) and the [Greater Mekong Subregion \(GMS\)](#) programs. ADB can collaborate with the Belt and Road Initiative through work under the CAREC and GMS programs. Knowledge cooperation will continue to be a focal

point, so that ADB and the PRC can take full advantage of synergies between lending and nonlending support, sovereign and nonsovereign operations, and partnerships with development partners and local stakeholders.

ABOUT THE PEOPLE'S REPUBLIC OF CHINA AND ADB

ADB Membership

Joined 1986

Shareholding and Voting Power

Number of shares held: 684,000 (6.429% of total shares)
Votes: 723,697 (5.442% of total membership, 8.367% of total regional membership)

Overall capital subscription: \$9.51 billion
Paid-in capital subscription: \$475.80 million

Contributions to Special Funds Resources

The People's Republic of China (PRC) has contributed to the Asian Development Fund (ADF), which is ADB's window for concessional lending to its borrowing members up to 31 December 2016 and retaining the ADF support as a grant-only operation from 1 January 2017, and to the Technical Assistance Special Fund (TASF), which provides grants to borrowing members to help prepare projects and undertake technical or policy studies, and to the Asian Development Bank Institute (ADBI).

Contributions to the ADF (committed): \$183.31 million
Contributions to the TASF (committed): \$28.29 million
Contributions to the ADBI (committed): \$1.00 million

ADB Governor

The Honorable **Kun Liu**, Minister, Ministry of Finance of the People's Republic of China, is the Governor for the PRC in ADB.

ADB Alternate Governor

Jiayi Zou, Vice Finance Minister, Ministry of Finance of the People's Republic of China, is the Alternate Governor for the PRC in ADB.

ADB Director and Alternate Director

Zhijun Cheng is the Director and **Jin Lu** is the Alternate Director representing the PRC on the ADB Board of Directors.

ADB Director's Advisors

Jie Qin and **Lei Zhang** are the advisors to the Director for the PRC.

PRC Resident Mission

Benedict Bingham is the ADB Country Director for the PRC. The PRC Resident Mission was opened in 2000, and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in the PRC.

The PRC government agency handling ADB affairs is the Ministry of Finance.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2018, lending volume was \$19.88 billion (126 projects), with technical assistance at \$241.20 million (280 projects) and grant-financed projects at \$1.42 billion (44 projects). In addition, \$14 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2014 to 31 December 2018, ADB's annual lending volume averaged \$15.99 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$583.95 million and \$184 million over the same period. As of 31 December 2018, the cumulative totals excluding cofinancing were \$275.82 billion in loans for 3,090 projects in 44 countries, \$9.38 billion in 374 grants, and \$4.52 billion in technical assistance grants, including regional technical assistance grants.

Notes:

ADB welcomed Niue as its 68th member in March 2019.

ADB recognizes "China" as the People's Republic of China.

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars.

Data are updated as of 31 December 2018 unless otherwise indicated. Fact sheets are published annually in April.

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Useful ADB websites

Asian Development Bank
www.adb.org

ADB website in Chinese
cn.adb.org

Annual Report
www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

ADB Data Library
data.adb.org