

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET



People's Republic of China: 2017 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
2,134.65	208.13	15.35	-	2,358.13

- = nil.

Notes:

Commitment is the financing approved by ADB's 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 supports the PRC's reform agenda by fostering inclusive economic growth, mainstreaming environmentally sustainable development, and promoting regional and South-South cooperation.

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	230	4,989.93	13.61
Education	29	563.15	1.54
Energy	183	5,924.03	16.16
Finance	88	764.47	2.08
Health	22	111.89	0.31
Industry and Trade	57	831.35	2.27
Multisector	42	536.86	1.46
Public Sector Management	131	70.32	0.19
Transport	250	17,694.87	48.25
Water and Other Urban Infrastructure and Services	120	5,182.65	14.13
Total	1,152	36,669.52	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 Asian Development Bank (ADB) has been working in the People's Republic of China (PRC) since 1986. The PRC has been the second-largest sovereign borrower from ADB and is a major contributor to ADB development finance and knowledge sharing initiatives.

The PRC is transitioning to a new growth model emphasizing quality and sustainability, supported by innovation. ADB is supporting the country's reform agenda by fostering inclusive growth, mainstreaming environmentally sustainable development, and promoting regional and South-South cooperation.

Since 1986, ADB has approved \$34.84 billion in sovereign loans and \$4.13 billion for private sector operations (excluding B Loans). In 2017, ADB committed around \$2.1 billion for 13 loans, and \$14.05 million for 27 technical assistance projects.

Cumulative disbursements to the PRC for lending and grants financed by ordinary capital resources (OCR) and other special funds amount to \$27.31 billion.

ADB-SUPPORTED PROJECTS AND PROGRAMS

In 2017, ADB approved sovereign loans totaling \$1.98 billion for 10 loans in agriculture and natural resources, energy, transport, and urban and social infrastructure and services.

ADB support for inclusive growth includes investment of \$250 million in Guangxi region for technical and vocational education and training, and which will train 20,000 teachers and benefit 900,000 students. ADB and the

People's Republic of China: Ordinary Capital Resources Nonsovereign Commitments by Product, 2007-2017

No. of Transactions Signed	Amount (\$ million)
Loans	2,411.51
Equity Investments	92.43
Guarantees	-
Total	2,503.94

-- = nil.



PRC also signed a loan of \$100 million and technical assistance of \$670,000 to develop a system for long-term elderly care in Hebei province, helping to expand home and community-based services.

Transport investments by ADB are increasing people's living standards, and fostering inclusive and green growth, ADB and the PRC signed a \$150 million loan to develop a sustainable 111.2-kilometer bus rapid transit system served by trolley buses in Jinan, Shandong province, the PRC. This project will benefit 1.7 million people. ADB and PRC also signed a \$150 million for the Chongqing Integrated Logistics Demonstration project which will develop an integrated logistics system in Chongqing comprising logistics parks, inland waterway roll-on roll-off operations, and logistics information systems

ADB is supporting the PRC and Viet Nam in developing cross-border economic zones along the GMS North-South Economic Corridor, under the \$450 million Guangxi Regional Cooperation and Integration Promotion Investment Program. ADB also supports the CAREC Advanced Transit System (CATS) and Information Common Exchange (ICE) for customs agencies, to present a better trading environment in the CAREC subregion.

Improving the environment is a priority for ADB's work in PRC, and this includes support for the sustainable development and ecological protection of the Yangtze River Economic Belt, and improved ecological security monitoring and management.

ADB extended \$1.3 billion for three loans under its program to improve air quality in the Beijing-Tianjin-Hebei region. In 2017, ADB approved a loan of \$499.6 million that will reduce greenhouse gas emissions and pollution, avoiding at least 5 million tons of carbon dioxide equivalent every year, 20,000 tons of sulfur dioxide, 3,000 tons of nitrogen oxide, and 3,000 tons of PM2.5 emissions every year.

In cooperation with the European Investment Bank, ADB is investing \$310 million to revitalize and diversify four coal-dependent and economically beleaguered cities in Heilongjiang province, helping decrease dependence on coal.

Developing clean energy in PRC is a central pillar of ADB's climate mitigation work. In Qinghai province, a \$150 million ADB loan is financing a 50-megawatt solar thermal power plant that will generate 217 gigawatt-hours of clean energy annually, avoiding 194,849 tons of carbon dioxide equivalent. ADB

is also developing heat from biomass, capitalizing on the PRC's potential to provide 830 million metric tons of waste for biomass heating annually. Also approved is \$5.5 million from the Carbon Capture and Storage Fund to demonstrate clean technology.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides direct financial assistance to nonsovereign public sector and private sector transactions in the form of direct loans, equity investments, guarantees, B loans, and trade finance. In 2017, \$3.17 billion of financing for 29 nonsovereign transactions funded by ADB's own resources were approved. Total commitments achieved in 2017 amounted to \$2.29 billion for 27 transactions. Both OCR approvals and commitments were at record highs in 2017. Around \$5.9 billion of cofinancing from commercial and official sources were mobilized. Total OCR outstanding balances and commitments of ADB's nonsovereign transactions as of 31 December 2017 amounted to \$10.9 billion.

ADB's [Trade Finance Program](#) (TFP) fills market gaps by providing guarantees and loans through partner banks in support of trade. Since 2009, ADB's TFP has supported more than 12,000 small and medium-sized businesses across

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
Total	96.4%	55

Note: "Year" refers to the circulation year of the project completion report (PCR). Compared with the numbers in previous years' Fact Sheet, the success rate reported here are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and does not include self-evaluations. With small sample size, the success rate does not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2017.

People's Republic of China: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2016-2017

No. of Ongoing Loans ^a (as of 31 Dec 2017)	2016 (\$ million)		2017 (\$ million)	
	Contract Awards ^{b,c}	Disbursements ^b	Contract Awards ^{b,c}	Disbursements ^{b,d}
	1,288.29	1,606.65	0.52	0.17
No. of Ongoing Grants ^a (as of 31 Dec 2017)	1		8	
	0.28			
Actual Problem Projects (%) (as of 31 Dec 2017)				

^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: Projects Cofinanced, 1 January 2013-31 December 2017

Cofinancing	No. of Projects	Amount (\$ million)
Projects	22	2,791.71
Grants	5	13.00
Official loans	7	1,261.74
Commercial cofinancing	10	1,516.97
Technical Assistance Grants	30	16.62

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

Item	2016		2017		Cumulative (as of 31 Dec 2017)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	2,675.13	23.72	1,970.34	18.89	29,630.08	17.52
Consulting Services	18.23	2.90	17.92	2.41	167.76	1.40
Total Procurement	2,693.36	22.62	1,988.26	17.80	29,797.84	16.45

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 2013–31 December 2017

Contractor/Supplier	Sector	Contract Amount (\$ million)
Sinohydro Corporation Co. Ltd.	ANR, ENE, TRA, WUS	487.94
Xinjiang Beixin Road and Bridge Group Co. Ltd	TRA	408.12
China Gezhouba Group Co. Ltd.	TRA, WUS	390.50
China Road and Bridge Corp.	TRA	387.49
China Railway Materials Import and Export Co. Ltd.	TRA	197.95
Others		8,527.98
Total		10,399.98

ANR = agriculture, natural resources, and rural development; 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 2013–31 December 2017

Contractor/Supplier	Sector	Contract Amount (\$ million)
Energy and Environmental Development Research Center	ANR, EDU, ENE, TRA, WUS	7.41
Easen International Co. Ltd.	ANR, TRA, WUS	5.80
ESD China Ltd.	ANR, HLT, WUS	4.47
Shanghai Electric Group Co. Ltd.	ENE	4.47
China Urban Construction Design and Research Institute Co. Ltd.	ANR, TRA, WUS	2.45
Individual Consultants		27.21
Others		32.88
Total		84.67

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

developing Asia—through over 16,500 transactions valued at over \$30 billion—in sectors ranging from commodities and capital goods, to medical supplies and consumer goods. In 2017, the TFP supported approx. \$4.5 billion in trade through approx. 3,500 transactions.

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 TFP and Supply Chain Finance Program.

From 1988 to the end of 2017, cumulative direct value-added (DVA) official cofinancing commitments for the PRC amounted to \$1.56 billion for 33 investment projects and \$58.20 million for 109 technical assistance projects. Cumulative DVA commercial cofinancing for the PRC amounted to \$2.06 billion for 20 investment projects.

In 2017, the PRC received loan cofinancing of \$310.00 million from the Bank of Beijing for the Air Quality Improvement in the Greater Beijing–Tianjin–Hebei Region – China National Investment, and \$200 million from the Government of Germany for the Guangxi Modern Technical and Vocational Education and Training Development Program.

A summary of projects with cofinancing from 1 January 2013 to 31 December 2017 is available at www.adb.org/countries/prc/cofinancing.

PARTNERSHIPS

The PRC provided \$210 million to the Asian Development Fund between 2005 and 2016. Early 2017, ADB and the PRC signed a memorandum of understanding on the PRC's new financial contribution of \$50 million to the PRC Poverty Reduction and Regional Cooperation Fund for ADB to extend grant-funded technical assistance and other types of support. Since 2005, the PRC has already provided \$40 million to the fund, supporting over 85 technical assistance projects in developing member countries.

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 \$11.28 billion in 2016 and \$10.43 billion in 2017. Cumulative procurement since 1966 was \$169.12 billion covering 211,316 contracts.

In the PRC, 11,483 contracts worth \$29.63 billion were 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 \$627.79 million in 2016 and \$741.84 million in 2017. Cumulative procurement since 1966 was \$12.02 billion covering 55,420 contracts.

In the PRC, 2,618 contracts worth \$167.76 million were awarded to consultants since 1986.

OPERATIONAL CHALLENGES

ADB has developed a diverse portfolio in the PRC, supporting transport; energy; water and other urban infrastructure and services; and agriculture, natural resources, and rural development. Recently, ADB moved from an infrastructure-oriented support for increasing growth, to environment and social sector support for improving the quality of growth. This change supports government priorities for a more balanced regional development, urban-rural integration, managing climate change and the environment, and promoting regional cooperation and integration. The new projects demonstrate strong value addition through innovations; an integrated approach; an increased number of implementation agencies; and multisector coordination. As the projects become more complex and are implemented in less-developed regions, capacity building activities need to be intensified.

ADB and the PRC government jointly review the country portfolio performance on a regular basis and work on streamlining business processes. ADB implemented several initiatives to improve the efficiency and effectiveness of its PRC portfolio administration, including activities on project management, safeguards, procurement and disbursement, and roll out of a web application for client disbursements.

FUTURE DIRECTIONS

The ADB CPS 2016–2020 is fully aligned with the government’s 13th Five-Year Plan, ADB’s Midterm Review of Strategy 2020, and ADB’s approach to supporting upper middle-income countries. It addresses PRC’s development challenges in climate change and the environment, inclusive

growth, knowledge cooperation, and institution building. ADB and PRC will promote regional cooperation through CAREC and GMS and linkages to the Belt and Road initiative. Sovereign and private sector operations will adopt a cross-sectoral approach to support key priorities such as Beijing-Tianjin-Hebei air pollution control, Yangtze River Economic Belt

Development, elderly care, low carbon cities, and green finance. For this, ADB will take full advantage of synergies between lending and non-lending operations, and sovereign and non-sovereign operations; and optimize use of co-financing. ADB will continue promoting private sector development and public-private partnership.

ABOUT THE PEOPLE’S REPUBLIC OF CHINA AND ADB

ADB Membership

Joined 1986

Shareholding and Voting Power

Number of shares held:	684,000 (6.444% of total shares)
Votes:	723,607 (5.454% of total membership, 8.370% of total regional membership)
Overall capital subscription:	\$9.74 billion
Paid-in capital subscription:	\$487.21 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):	\$183.25 million
Contributions to the TASF (committed):	\$28.35 million
Contributions to the ADBI (committed):	\$0.50 million

ADB Governor

The Honorable **Xiao Jie**, Minister, Ministry of Finance of the People’s Republic of China, is the Governor for the PRC in ADB.

ADB Alternate Governor

Yaobin Shi, 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

Yanrong Wang and **Jie Qin** 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 67 members, 48 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 2017, lending volume was \$18.72 billion (111 projects), with technical assistance at \$200.53 million (246 projects) and grant-financed projects at \$597.49 million (24 projects). In addition, \$11.92 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 2013 to 31 December 2017, ADB’s annual lending volume averaged \$14.55 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$617.74 million and \$166.28 million over the same period. As of 31 December 2017, the cumulative totals excluding cofinancing were \$255.14 billion in loans for 2,955 projects in 44 countries, \$8.36 billion in 328 grants, and \$4.27 billion in technical assistance grants, including regional technical assistance grants.

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Useful ADB websites

Asian Development Bank
www.adb.org

ADB website in Chinese
cn.adb.org

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

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

Depository Libraries
www.adb.org/publications/depositories

To access a complete list of development and economic indicators, visit:

Statistics and Databases
www.adb.org/data/statistics