

**The Asian Development Bank  
and the  
People's Republic of China:  
Partnership  
in the  
Agriculture and Natural Resources Sector**

## **Introduction**

1. Poverty reduction is the overarching objective of the Asian Development Bank (ADB). Although there are emerging pockets of urban poverty, poverty in the PRC is primarily a rural problem. About 30 million people living in rural areas have incomes below the Government's official poverty line of Y625. Another 60 million rural people with per capita annual incomes below CNY865 are vulnerable to falling into absolute poverty. The number of rural residents with incomes below \$1 per day is estimated at 97 million and the number of rural residents with less than \$1 per day consumption is 235 million. Agriculture activities provide the most important source of income for farm families. Agricultural growth and rural development are two key elements to reducing poverty.

## **PRC's Agriculture Sector**

### **Overview**

2. The People's Republic of China (PRC) has a diverse physical environment that results in a complex agricultural sector. Impressive gains have been made in productivity and food output in recent decades. Food supply is no longer a major problem. However, major challenges remain in terms of low overall productivity, low and declining profitability as domestic commodity prices fall to converge closer to international prices, limited arable land, limited water resources, inefficient use of fertilizers and pesticides, and environmental conflicts both at the farm level and in terms of export standards. Consumer demand is growing for more variety, more protein, improved quality, and safer food. World Trade Organization (WTO) entry has major implications for agriculture and natural resources: (i) competition from imported foods and downward pressure on some commodity prices, factors that will require domestic adjustments to changing market forces; (ii) greater forest product imports; (iii) adopting policy measures to address serious environmental issues (e.g., land and soil degradation, desertification, water shortages, degradation of the environment, depletion of fisheries stocks, food safety); and (iv) meeting environmental and health safeguards if the PRC wishes to increase its export of food products, particularly to OECD countries.

3. The share of the agriculture sector in the economy fell from just under 40% of GDP in 1970, to 28.1% in 1978, further to 14.6% in 2003. Agriculture's share of employment fell from nearly 80% to just below 50% during the same period. About 150 to 200 million workers in rural areas are underemployed. Reducing the size of the rural population reliant on agriculture for their livelihood, creating off-farm employment opportunities, and promoting broad-based rural development to enable less well-off areas to share development benefits are important development challenges.

4. Both agricultural growth and rural development are needed to reduce poverty. Over 90% of the rural poor live in areas with degraded environments—mostly in the vast, impoverished interior provinces. Low productivity of land is caused in part by fragile soils,

water scarcity, and erratic rainfall patterns. During the past three decades, the frequency of dust storms has increased<sup>1</sup> and the size of the deserts is growing.

### ***Agriculture Sector Needs and Challenges***

5. The Government has adjusted its priority away from food security through inexpensive and stable supplies of grain for the urban population, which was long at the center of agricultural policies. However, many of the policies and practices have become impediments to sustainability due to their adverse impacts on the natural resources base and perverse economic incentives. Some fragile or unsuitable ecosystems—wetlands, forests, pastures, drylands, and desert fringe areas—were converted into cultivated land with little concern for environmental limits. This contributed to increasing land degradation, costing an estimated CNY64 billion annually in direct economic losses (and four times as much indirectly), as well as biodiversity losses. Triggered by the massive 1998 floods, restoration of natural ecosystems and re-conversion of sloping land to forest and grassland have begun. The Sloping Land Conversion Program has been successful, despite inconsistencies, in reducing poverty and promoting local development.

6. A key challenge is to develop a comprehensive regulatory regime to support the modernization of agriculture and comply with WTO commitments. Currently there are some contradictions between policy objectives and legislation, poor linkages between the legislation and the associated statutory instruments, and weaknesses in enforcement and dispute resolution.

7. The amendments to the 1993 Agricultural Law, effective from 1 March 2003, included changes in the following areas: (i) accelerating the transfer of surplus rural labor; (ii) ensuring the safety of farm produce; and (iii) advancing agricultural science and technology development. The amendments will help adjust the agricultural and rural economic structure, promote food security and safety, safeguard farmers' interests, and strengthen the implementation of the law.

8. Livelihood options are constrained because financial services are not available to most rural households. Formal financial institutions base lending decisions on collateral. As the current land allocation system is based on user rights, farmers have little collateral and limited access to financial services. The Agriculture Bank of China is closing some of its rural branches in its drive to become a commercial bank and the financial position of many Rural Credit Cooperatives is weak. Weaknesses in the legal, policy and institutional framework make it difficult to use micro credit on a widespread, sustainable basis. Poverty groups generally obtain credit informally at rates far above the official interest rate or through limited subsidized microfinance programs. Modernizing the rural financial sector requires a major review of financial sector policies, priorities, strategies, and institutions.

9. Infrastructure bottlenecks are a major impediment to agricultural growth and rural development, particularly in the western region. Well-developed and maintained rural infrastructure, both physical infrastructure (roads, irrigation, electricity, water supplies, and telecommunications) and social infrastructure (education, health, and nutrition) are required to foster the links between the farm and nonfarm sectors, to provide the preconditions for a reasonable living standards in rural areas and to create the conditions to create off-farm

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<sup>1</sup> Dust storms have regional implications as they affect the Central Asian Republics, Mongolia, the Republic of Korea and Japan.

employment. However, budgets and fiscal capacity at provincial and subprovincial levels are typically inadequate in poorer areas to support such development.

10. Water is a critical factor in agriculture. Water availability is only one quarter of the world's average. Globally PRC's share of renewable fresh water supply is only 6.2% of the world total, but its population accounts for 20% of the world total. In addition, the availability of fresh water for PRC was 2,200 km<sup>3</sup> in 2002, but this is expected to decline to 1,700 km<sup>3</sup> by 2030.<sup>2</sup> Water shortages are particularly severe in the northern part of the country. The PRC's factories use 5–10 times the amount of water for the same value of industrial output as those in industrial countries. Irrigation has spread into some of the driest parts of the country and low, uneconomic water prices provide no incentive to adopt water-saving techniques. The 2002 revisions to the Water Law were designed to support the development of a system in which water resources are administered in a holistic, unified way rather than by sector. The Water Law also provides a legal framework for water pricing and cost recovery that will facilitate effective and efficient water management.

11. To reverse the deteriorating ecosystems and fragile environment, the Government has launched major forestry programs, including the national program on natural forest protection, conservation of slope farm into forests, shelterbelt establishment, combating desertification, and nature reserve development. These programs integrate environmental protection, poverty reduction, and rural development.

12. Grasslands comprise 28% of the PRC's area, mostly in the western region. Overgrazing and conversion to unsustainable cropping and other practices have led to increasing grassland degradation and desertification in drier areas. A revised Grasslands Law was adopted in 2002 that provides a better framework within which to manage this resource and complements the 2001 Anti-Desertification Law.

13. Historically, the agricultural sector has been well served by the public research and extension system. However, research investments have declined in real terms and research expenditures as a proportion of agricultural GDP have fallen to below the average of developing countries. This creates concerns for long-term agricultural growth and poverty reduction since these two elements are strongly correlated. Inadequate use is made of existing research capacity in addressing ways to modernize agriculture, promote sustainable use of natural resources, or combat land degradation.

### **The Government Agriculture Policy**

14. The Government's priorities include increasing rural incomes, developing and restructuring the agriculture sector, improving natural resources management, and preserving the environment. The Western Region Development Strategy gives high priority to environmental management. The strategies are designed to increase food production, rural incomes, and employment opportunities. Given the arable land constraints (currently at 0.1 hectare per capita), agriculture sector development strategy must focus on increasing farm productivity and value added, developing underutilized and waste land, diversifying crop production, and adopting integrated approaches to farming that are friendly to the environment.

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<sup>2</sup> The availability of water is not only affected by volume, but by quality as well. Currently, experts report that 52% of 135 rivers in PRC are heavy polluted, and the improvement in water quality is not anticipated in the short term.

15. Poverty reduction-related objectives call for: (i) increasing the incomes of farmers; (ii) providing physical infrastructure; (iii) developing industries for processing, storing, and transporting agricultural products; (iv) creating off-farm employment opportunities for the rural poor; and (v) increasing standards of living for the rural poor in terms of housing, education, health, and environment. The Government is also promoting labor-intensive industries, especially in the services sector, to increase job opportunities, and is offering incentives for people to start their own businesses.

16. The Government will continue to prioritize agriculture and rural development and address “*san nong*” (agriculture, rural development, and farmers) issues. Agriculture will be developed steadily to ensure that farmers’ incomes will grow faster by improving agricultural production’s overall quality and returns. Instead of focusing on food self-sufficiency, the Government will emphasize raising rural incomes, and create off-farm employment opportunities. Fiscal reform will reduce farmers’ tax burdens. Farmers will be allowed to sell their land-use rights to allow for economies of scale in agriculture and to exit from the sector. Specifically, the Government will (i) protect croplands and improve food productivity; (ii) increase farmers’ incomes by any means; (iii) offer market-oriented adjustments for agricultural and rural economic structures; (iv) improve agricultural and rural infrastructure; (v) improve natural resources management and preserve environment; and (vi) support development of rural poverty areas.

17. The 2004 No.1 Decree on Raising Farmers’ Incomes, issued by the central Government in 2004 put forward a series of practical measures for raising farmers’ incomes, which include increasing grain production in major grain producing areas, increasing government allocations to these areas, reforming the land acquisition system for greater grain production capacity, lowering agricultural tax rates, annulling tax levies on special farm produce except tobacco leaves, and expanding micro credit loans and joint-guarantee loans to farmers. These policies were reconfirmed during the March 2004 second session of the 10<sup>th</sup> People’s Congress. Specific measures include (i) reforming rural taxes and administrative charges and reducing agricultural tax rates (8% currently) gradually from 2004 until the tax is scrapped entirely within 5 years and abolishing taxes on special farm produce, except tobacco crops; (ii) channeling resources to help develop regions specializing in producing high-quality grains; (iii) liberalizing control of farmers working and residing in cities and promoting their free migration; (iv) promoting strategic restructuring of agriculture and the rural economy and encouraging the development of township enterprises; (v) strengthening farmland protection and maintaining grain production; and (vi) reforming land requisition to safeguard farmers’ land property. In 2005, the central Government issued another No.1 Decree on Promoting Agriculture Sector Development, which reiterated the Government’s determination to support agriculture development. The policy actions include, among others, (i) expand the scope of agricultural tax exemption, and exempt the animal husbandry tax; (ii) continue to subsidize crop-growing farmers; (iii) reward counties for agricultural production; (iv) strengthen the link between grain production and sales; and (v) support small hydro power by farmers. See Box 1 below for a summary of the PRC policies.

**Box 1      "San Nong" Policies**

- 1. Raising farmers' net income per head by 5% in 2004 from Rmb2,574 (\$311) to Rmb2,702**
  - Greater stress on the marketing of rural products.
  - Providing direct subsidies to farmers producing grain. By 2006, 70% of commercial grain will be subsidized.

- 2. Increasing the profitability of grain production**
  - Farmers will be given greater access to rural credit.
  - Rural development banks will be permitted to finance grain procurement, thus giving farmers who wish to sell grain a wider choice of customers.
  - The Government will promote the adoption of better seeds.
- 3. Making it easier for rural residents to work in cities**
  - The Government will provide potential rural migrants with information.
  - Household registration (*hukou*) restrictions will be eased to allow farmers who manage to find urban work to enjoy the same rights as the local residents. Their legitimate rights will be protected such as their labor and their children's schooling.
  - Officials will abolish regulations that restrict the kind of work that rural migrants can do.
- 4. The Government will continue to lighten the tax burden faced by farmers**
  - Although sometimes the result of corruption, the ad hoc fees and charges levied by many local authorities also reflect their very real fiscal problems. In 2004 the central government will increase fiscal transfer payments to local authorities, with the aim of cutting the average nationwide tax burden per head by at least Rmb23.
  - Agricultural taxes and fees paid by households will be refunded.
- 5. Improving educational opportunities in rural areas**
  - The Government will rebuild unsafe middle- and primary-school buildings in the central and western regions, to promote compulsory education in the poverty-stricken areas. , and
  - The Government will build 1,000 libraries in rural areas, and provide books and compact discs on science and technology.
  - By 2007 the objective is to have implemented compulsory education in at least 85% of rural western PRC and to cut illiteracy rates among young people to below 5%.
- 6. Improving medical care in rural areas**
  - Township-class health clinics will be reclassified, and more public funds will be made available to village-level clinics.
  - More types of co-operative medical services will be established.
  - Beginning with more-developed regions, the Government will establish a minimum social security system.
- 7. Paying more attention to the very poorest people**
  - About 20 million people still have inadequate access to basic supplies of food and clothing.
  - The Government plans to use poverty relief funds to raise the incomes of the poorest people, with priority given to the ethnic-minority areas in the central and western regions, the old revolutionary regions and frontier areas.
  - People living in areas where the ecological environments are fragile and in areas that lack the basic conditions for subsistence will be resettled in a well-planned manner.
  - In areas affected by natural disasters, agricultural production and animal husbandry taxes will be reduced or exemptions will be granted.
- 8. Upgrading public services in rural areas**
  - Since 1998 the Government has invested Rmb 407.7bn (\$49bn) in improving services in rural areas, but in some places they remain inadequate.
  - The Government in 2004 will accelerate the pace of providing drinking water for people and livestock and the construction of rural roads.
  - More local jobs will be created.

*Source: Country Report March 2004, The Economist Intelligence Unit Limited.*

## **ADB's Agriculture and Rural Development Sector Experience and Strategy**

18. ADB's operations in the agriculture sector have focused on promoting land reform; price and other reforms for increasing efficiency in producing, processing, and marketing agriculture products; reducing rural poverty; protecting the environment, particularly combating land degradation, water pollution and flood risks; and providing income-earning opportunities by diversifying into cash crop production and creating jobs in off-farm economic activities.

19. ADB's operational strategy in the agriculture sector will be to support the transition to sustainable agriculture and natural resources management and rural growth. This will include the following:

- (i) improving sector governance by helping improve policies, legislation, the regulatory environment and institutional arrangements and by encouraging public participation and private sector involvement;
- (ii) providing infrastructure for rural development (e.g., roads, irrigation, electricity, water supply) to foster the links between the farm and nonfarm sectors;
- (iii) addressing "green side" environmental issues such as land degradation, water and soil conservation, integrated water resources management including river basin management institutions and provincial and local governments, transjurisdictional issues and water user/supplier organizations, efficiency water use and conservation, water quality and pollution control, and promoting sound natural resources management;
- (iv) supporting approaches and technologies for clean agriculture, sustainable natural resources use, and integrated ecosystem management. This will include participation of rural communities through strengthening their capacity to plan and manage local development activities. The focus will be on increased efficiencies in production, transportation, storage, processing, and marketing of agricultural produce;
- (v) strengthening rural financial markets, institutional frameworks, regulations, and programs to provide financial services to disadvantaged areas; and
- (vi) supporting agricultural and natural resource research, promoting linkages between national and provincial research institutions, and encouraging innovations responding to location-specific technical issues and constraints such as land degradation.

## **ADB's Policy Partnership with PRC**

20. *Land Use and Land Tenure Reform.* A critical factor in rural poverty reduction is access to adequate land resources. About 90% of the rural poor live on partly to severely degraded land. Land use and land tenure are covered by the provincial regulations within the broad policy framework of the Government. ADB assisted PRC in drafting the Land Administration Law, effective in January 1999. The Law provides for a national land use plan, which stipulates the total amount of arable land to be protected. After the State Council approves this plan, every province, county, and township will be assigned quotas of arable land for protection. The area of cultivated land should comprise more than 80% of arable land. Any arable land required for urban/industrial expansion must be replaced by a similar area of wasteland reclaimed by the project proponent. There is a national supervision and inspection system for land resources and land occupation in the Ministry of Land and Resources for implementing the Law. To help modify provincial land administration laws to be consistent with the national law, ADB assisted Sichuan Province in drafting a model enabling provincial law, which could be applied nationwide.

21. *Poverty Reduction.* Poverty in the PRC is changing, with the rural-urban income gap growing. Many of the remaining absolute poor live in remote mountainous areas, where provision of adequate infrastructure is uneconomic and delivery of social services is difficult. The Government had previously opted not to extensively use ADB's ordinary capital resources (OCR) funds for poverty reduction, arguing that financial returns should be high, relatively short term, and capable of full cost recovery with a premium to cover market and foreign exchange risks. Accordingly, a major aspect of the policy dialogue was to reach an understanding with the Government that ADB's OCR resources could be applied successfully to poverty reduction projects in the PRC. In September 2003, ADB and the Government signed a Poverty Partnership Agreement that sets out a development agenda based on pro-poor investments in infrastructure, environment and natural resources management, and regional cooperation.

22. *Environment Protection and Natural Resources Management.* The economic loss attributable to pollution and associated degradation of PRC's natural resources is estimated at between 3.5% and 7.7% of GDP. Environmental improvement has been a constant item on ADB's policy agenda for the PRC. ADB has provided TAs for strengthening the institutional capacities of the Government agencies responsible for assessing and monitoring environmental impacts and formulating environmental protection laws. ADB has also provided TAs for soil and water conservation, forest and grassland ecosystems conservation, and agro-industrial pollution control. ADB is encouraging PRC to promote an integrated agricultural development approach to improve the environment and livelihood of farm households in rural PRC through more efficient use of agricultural waste products to produce low-cost and cleaner energy sources, and improve agricultural production.

23. *Combating Land Degradation (OP 12).* In response to continuing land degradation, particularly in the dry and highly fragile environments of the impoverished western region, which seriously affects the welfare and livelihoods of nearly a quarter of PRC's population, the PRC-Global Environment Facility (GEF) Partnership on Land Degradation in Dryland Ecosystems (the Partnership), was launched through ADB assistance under Operational Program (OP) 12 on Integrated Ecosystem Management, which is ideally suited to overlay global benefits onto the Western Development Strategy, as well as blending external and domestic finance for sustainable development with GEF resources for the global environment, including biodiversity, carbon sequestration and land and water conservation. The GEF Council endorsed the [country programming framework](#) (CPF) covering a 10-year period (2003-2012) in mid-October 2002. It is the first such partnership for GEF in the world and it may be used as a model for other countries. The total estimated cost of the CPF over a 10-year period is \$1.5 billion. The Government will contribute \$700 million and mobilize an additional \$615 million from ADB and other donors to finance baseline activities. The GEF Council approved in principle \$150 million in incremental financing from GEF for a series of GEF-eligible projects over a 10-year period. ADB is currently implementing the first phase of the CPF to strengthen the capacity of the key ministries and six western provinces and promote coordination and collaboration across sectors at central level and across administrative regimes.

24. *Water Tariff and Cost Recovery.* The continued strong growth of the economy has caused water demand to outstrip supply in most parts of the PRC. The gap between demand and supply is widening, and the situation is exacerbated by the overall shortage of freshwater sources in many regions and the inefficient use of water, particularly in agriculture. It is increasingly recognized that financing water supply schemes and pricing water need to be changed to generate funds for subsequent investment requirements, provide market-based incentives to effectively manage water demands, and provide incentives for commercially

oriented water companies to improve their efficiency. ADB has funded TAs for formulating guidelines and policies in the water sector, which have led to the adoption of the National Guidelines on Water Tariffs and the National Guidelines on Wastewater Tariffs and mechanisms for their implementation.

25. *Rural Finance.* The major sources of agricultural and rural credit are the Agricultural Bank of China (ABC), the rural credit cooperatives (RCCs), and the Agricultural Development Bank, China (ADBC). Since 1994, the PRC's financial sector has undergone major reforms. ADB supported the 2003 amendments to the People's Bank of China (PBC) and the Commercial Bank Laws and the Bank Supervision Law provided a new legal and regulatory framework in PRC. While ADBC finances larger Government priority projects, mainly for grain and oil procurement managed by state-owned companies; as a commercial bank, ABC's lending strategy has been gradually moving away from the rural to the urban sector. Almost all ABC loans for crop production are short- and medium-term loans. Individual farmers encounter difficulty in obtaining loans from ABC or ADBC. Individual farmers mainly on RCCs as a source of credit. While RCCs finance TVEs and light industry, they are also the major credit source, as well as deposit taker, for rural households. As lenders, the RCCs in aggregate are comparable in size to ABC. But as retail rather than wholesale lenders, their average loan size is much smaller and the number of farmer borrowers much higher. ADB provided TAs to support the development of RCCs towards market-based, viable, and member-oriented cooperative financial institutions. The structural and regulatory reforms reflect the Government's commitment to reform RCCs into a system of viable cooperative banking institutions.

26. *Agricultural Research.* PRC is doing extensive work in agricultural research, but the agenda is centered high value commercial crops and not indigenous crops and cropping systems used by the poor. ADB provided TAs, including RETAs, to assist the Government in maintaining the social focus of agricultural research during the move to commercialization, identifying research that requires public funding versus that can be commercialized, with recommendations on the types and forms of public funding necessary to maintain a strong agricultural research system. ADB will continue to support such research at national and regional level as an integral program in PRC. PRC's ability to continue feeding 22% of the world's population on 7% of its arable land depends on its being able to increase productivity - in a sustainable manner - and those increases come from agriculture research.

### **Agriculture and Rural Development Projects Supported by ADB in the PRC**

27. ADB loan projects in the sector totaled \$1.9 billion, or about 10% of ADB's portfolio in the PRC, as of 31 December 2004. These projects have focused on price and other reforms for increasing efficiency in producing, processing, and marketing agriculture products, and reducing rural poverty; and enhancing income-earning opportunities by diversifying into cash crop production and creating jobs in off-farm economic activities. ADB has also assisted in improving the management and development of soil, marine, water, and forest resources for sustainable use. ADB financed the Yellow River Flood Management Project and Songhua River Flood Management Project to improve people's lives and to promote sustainable economic growth through improved river basin management and reduced flood risk in the two river basins. Except for the traditional structural flood control measures, a flood control command system, incorporating flood forecasting and warning systems, will be implemented to facilitate coordinated flood emergency response. Particular emphasis is placed on ensuring that environmental issues are addressed and that project beneficiaries include the poor. The Fujian Soil Conservation and Rural Development Project and the West Henan Agriculture Development Project are examples of this approach. The Efficient Utilization of Agricultural

Wastes Project will help improve the environment and the welfare and living conditions of rural households by generating cleaner biomass energy and increasing agricultural productivity through the efficient use of agricultural wastes. Performance of ADB projects in the agriculture sector has been mixed. Of the eight completed projects three commercially oriented projects were unsuccessful (Hexian Pulpmill Project, Yunnan-Simao Forestation and Sustainable Wood Utilization, and Hainan Agricultural and Natural Resources Development). The agro-processing projects financed a line of credit to the Agriculture Bank of China was rated as partly successful. Fujian Soil Conservation and Rural Development Project and Northeast Flood Damage Rehabilitation Project were rated highly successful. See Table 1 for details.

28. These loans were complemented by 72 TAs totaling \$42.8 million for policy reform, institutional strengthening, environmental management, poverty reduction, and project preparation. ADB's impact in the sector lies more on the providing such knowledge-based products in the PRC. See Table 2 for details.

### ADB's Plans for Future Agriculture Investment

29. ADB's future program from 2005-2007 includes 9 projects for which ADB will provide \$795 million in lending. It is expected that about \$60-70 million co-financing from GEF and other grant donors will be mobilized to complement these lending programs. See Table 3 for details.

<b>No.</b>	<b>Loan</b>	<b>Project Name</b>	<b>Amount (\$ Million)</b>	<b>Approval Date</b>
1	937-PRC	Hexian Pulp Mill	49.6	20-Dec-88
2	1055-PRC	Agricultural Bank of China	50.0	29-Nov-90
3	1175-PRC	Guangdong Tropical Crops Development	55.0	13-Aug-92
4	1304-PRC	Yunnan-Simao Forestation and Sustainable Wood Utilization	77.0	30-Jun-94
5	1347-PRC	Second Agricultural Bank of China	100.0	12-Jan-95
6	1372-PRC	Hainan Agriculture and Natural Resources Development	53.0	7-Sep-95
7	1386-PRC	Fujian Soil Conservation and Rural Development	65.0	28-Sep-95
8	1685-PRC	Northeast Flood Damage Rehabilitation: Inner Mongolia Autonomous	110.0	22-Apr-99
9	1686-PRC	Northeast Flood Damage Rehabilitation: Heilongjiang Province	110.0	22-Apr-99
10	1687-PRC	Northeast Flood Damage Rehabilitation: Jilin Province	110.0	22-Apr-99
11	1814-PRC	West Henan Agriculture	64.3	19-Dec-00
12	1835-PRC	Yellow River Flood Management	150.0	28-Aug-01
13	1919-PRC	Songhua River Flood Management	150.0	20-Sep-02
14	1924-PRC	Efficient Utilization of Agricultural Wastes	33.1	22-Oct-02
15	2082-PRC	Fujian Soil Conservation and Rural Development II Project	80.0	28-Apr-04
<b>Total</b>			<b>1,977.0</b>	

**Table 2 List of Approved TAs in the PRC**

No.	TA	TA Name	Amount (\$)	Approval Date
<i>Fertilizer Production</i>				
1	1138	Fertilizer Sector Study	85,000	14-Mar-89
2	1714	Fertilizer Sector Review	98,000	16-Jun-92
3	1884	Fertilizer Sector Legal and Regulatory Development	183,000	12-May-93
4	1885	Assessment of Small-Scale Nitrogen Fertilizer Plants	300,000	12-May-93
<i>Fisheries</i>				
5	1760	Fishery and Coastal Marine Resources Management and Development	595,000	30-Sep-92
6	1934	North China Marine Culture and Coastal Resources Management	583,800	19-Aug-93
7	2337	Coastal Environmental Protection and Institutional Assessment	98,500	29-May-95
8	2695	Coastal Resources Conservation and Environmental Improvement	810,000	3-Dec-96
9	2874	Zhejiang Sweetfish Research and Breeding Program	100,000	24-Sep-97
<i>Forestry</i>				
10	1759	Training in Establishment and Management of Forest Plantations	560,000	29-Sep-92
11	1767	Yunnan-Simao Forestry Development and Pulp Mill	395,000	20-Oct-92
12	2119	Forest Ecosystem Planning and Agro-Industrial Pollution Control	600,000	30-Jun-94
13	2394	Jianfengling Park Management and Biodiversity Conservation	600,000	7-Sep-95
14	3998	Sanjiang Plains Wetland Development	600,000	22-Nov-02
15	4307	Poverty Reduction in Key Forestry Conservation Programs	400,000	19-Dec-03
16	4308	Poverty Reduction in Grassland Improvement Program	400,000	19-Dec-03
<i>Industrial Crops and Agro-Industry</i>				
17	906	Hexian Pulp Mill	75,000	7-Oct-87
18	1088	Strengthening Government Implementation Capacity in the Pulp	400,000	20-Dec-88
19	1504	Tropical Crops Development	420,000	11-Apr-91
20	1892	Hainan Agriculture and Natural Resources Management	593,000	20-May-93
21	2120	Corporate Ownership and Management Systems for Yunnan Yun-Jing	400,000	30-Jun-94
22	3172	Bank Participation in Kunming Horticultural Exposition, 1999	18,000	18-Mar-99
<i>Irrigation and Rural Development</i>				
23	940	Improvement of Irrigation Management and Cost Recovery	320,000	8-Jan-88
24	1165	North Hainan Water Resources Development	2,300,000	15-Jun-89
25	1356	Integrated Rural Development of Selected Provinces in Southwest	597,000	17-Aug-90
26	1506	Dalian Multipurpose Water Resources Development	600,000	15-Apr-91
27	1860	Fujian Soil Conservation and Rural Development	406,000	29-Mar-93

No.	TA	TA Name	Amount (\$)	Approval Date
28	1881	Integrated Rural Development for Minority Areas	550,000	10-May-93
29	2372	Preliminary Analysis of Water Resources Projects	99,000	4-Aug-95
30	2407	Capacity Building for Soil and Water Conservation	590,000	28-Sep-95
31	2817	Strategic Options for the Water Sector	1,180,000	26-Jun-97
		Strategic Options for the Water Sector (Supplementary)	57,000	14-Jul-99
32	3139	Policies and Strategies for Sustainable Development of the Land	660,000	22-Dec-98
33	3474	Ningxia-Shapotou Water Resources Development	930,000	31-Jul-00
34	3708	Strategic Planning Study for the Preparation of the Yellow River Law	970,000	28-Aug-01
		<i>Livestock</i>		
35	2156	Improvement of Northern Grassland Ecosystems	746,000	16-Sep-94
		<i>Agricultural Support</i>		
36	1425	Institutional Strengthening of Agricultural Bank of China	480,000	29-Nov-90
37	1573	Red Soils Development in Hunan Province	789,000	3-Oct-91
38	1659	Upgrading of Agricultural Information Services	600,000	15-Jan-92
39	1740	Policy Studies and Institutional Strengthening for the Ministry	800,000	13-Aug-92
40	1912	Second Agricultural Bank of China	491,000	23-Jul-93
41	2042	West Henan Agriculture Development	600,000	29-Dec-93
42	2073	Changjiang Water and Soil Conservation and Environmental Protection	600,000	24-Mar-94
43	2214	Cooperative Banking Development	600,000	1-Dec-94
44	2288	Institutional Strengthening of Commercial Finance, Management	830,000	12-Jan-95
45	2395	Strengthening of Corporate Management and Marketing and Trading	455,400	7-Sep-95
46	2408	Land Use and Land Tenure Policy in Fujian Province	600,000	28-Sep-95
47	2539	All China Federation of Supply and Marketing Cooperatives	580,000	5-Mar-96
48	2574	Capacity Building of the Hexian Pulp Mill	600,000	24-May-96
49	2672	Institutional Strengthening for Marine Culture Lending	250,000	29-Oct-96
50	2939	Reform of the Rural Credit Cooperative System	997,000	15-Dec-97
51	3026	Strengthening Risk Management of the Agriculture Bank of China	1,800,000	4-Jun-98
52	3069	Soil and Water Conservation in the Upper Yangtze River Basin	99,000	16-Sep-98
53	3143	International Symposium on Microfinance and Urban Unemployment	150,000	23-Dec-98
54	3259	Yellow River Flood Management Sector	930,000	22-Sep-99
55	3281	West Henan Agricultural Development	150,000	26-Oct-99
56	3370	Efficient Utilization of Agricultural Wastes	703,000	26-Dec-99
57	3372	Yunnan Comprehensive Agricultural Development and Biodiversity	1,332,000	23-Dec-99
58	3376	Songhua River Flood, Wetland, and Biodiversity Management	1,545,000	27-Dec-99
		Songhua River Flood, Wetland, and Biodiversity Management (Suppl.)	250,000	30-Jul-01

No.	TA	TA Name	Amount (\$)	Approval Date
59	3446	Study of Funding Options for Agricultural Research in the PRC	150,000	25-May-00
60	3497	Global Environmental Facility Partnership on Land Degradation	100,000	5-Sep-00
61	3548	Preparing National Strategies for Soil and Water Conservation	800,000	20-Nov-00
62	3551	Fujian Soil Conservation and Rural Development Project, Phase II	650,000	24-Nov-00
63	3657	PRC-GEF Partnership on Land Degradation in Dryland Ecosystems	1,150,000	25-May-01
64	3663	Optimizing Initiatives to Combat Desertification in Gansu Province	610,000	5-Jun-01
65	3851	Dryland Farming Project in Northern Region	450,000	1-Apr-02
66	4324	Hunan Flood Management	700,000	29-Mar-04
67	4327	Flood Management Strategy	500,000	14-Apr-04
68	4343	National Food Safety Regulation and Strategic Framework	400,000	28-May-04
69	4399	Agricultural Taxation Reform	500,000	29-Sept-04
70	4401	Rural Income and Sustainable Development	900,000	30-Sept-04
71	4404	Implementation of the National Strategy for Soil and Water Conservation	379,000	7-Oct-04
72	4430	Rural Finance Reforms and Development of Microfinance Institutions	1,000,000	9-Dec-04
<b>Total</b>			<b>42,839,700</b>	

**Table 3 Planned ADB Loans in the PRC**

No.	Project Name	Amount (\$ million)	Expected Year
1	Sanjiang Plains Wetland Protection Project	15.0	2005
2	Hunan Flood Management	200.0	2006/2005
3	Guiyang Integrated Water Resources Management	150.0	2006
4	Shaanxi Qinling Mountain Ecosystem Protection	35.0	2006
5	Ecosystem Development and Environment Protection of Baiyangdian Lake	100.0	2006/2007
6	Dryland Farming in Northern Region	100.0	2007
7	Ningxia Integrated Ecosystem Development	100.0	2007
8	Endangered Chinese Herbs Plantation in Central and Western Regions	25.0	2007
9	Henan High Efficiency Agriculture Development	70.0	2007
<b>Total</b>		<b>795.0</b>	