

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET



People's Republic of China: 2016 Approved Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
1,779.60	325.00	14.20	–	2,118.80

– = nil.

Note: Grants and technical assistance include ADB-administered cofinancing.

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

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	225	4,676.48	12.88
Education	27	312.55	0.86
Energy	181	5,939.77	16.36
Finance	88	764.67	2.11
Health	21	61.22	0.17
Industry and Trade	56	830.35	2.29
Public Sector Management	126	67.34	0.19
Transport	248	17,797.23	49.01
Water and Other Urban Infrastructure and Services	119	5,327.23	14.67
Multisector	42	536.86	1.48
Total	1,133	36,313.69	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 approvals.

^d Numbers may not sum precisely because of rounding.

People's Republic of China: Cumulative Nonsovereign Financing by Product

No. of Transactions	Amount (\$ million)
Loans	2,880.49
Equity Investments	404.30
Guarantees	107.00
B Loans ^a	2,909.50
Total	6,301.29

^a Includes US\$ and local currency complementary loans.

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

The Asian Development Bank (ADB) and the People's Republic of China (PRC) have been collaborating since 1986. Through more than 30 years of engagement, ADB's relationship with the Government of the PRC has evolved into a full partnership. While the PRC has been the second-largest sovereign borrower from ADB, it is also an important contributor to ADB development finance and knowledge sharing initiatives.

The PRC is transitioning to a new growth model that emphasizes quality and sustainability, supported by innovation. ADB will support the government's reform agenda by fostering inclusive economic growth, helping the PRC mainstream environmentally sustainable development, and promoting regional and South–South cooperation.

Since 1986, ADB has approved \$32.9 billion in sovereign loans for the PRC and \$3.4 billion for private sector operations (excluding B Loans).

Cumulative disbursements to the PRC for lending and grants financed by ordinary capital resources and other special funds amount to \$25.75 billion.

ADB-SUPPORTED PROJECTS AND PROGRAMS

In 2016, ADB approved sovereign loans to the PRC totaling \$1.78 billion, comprising 11 loan projects in agriculture, natural resources, energy, transport, and urban and social infrastructure and services. The program included the following highlights:

Four projects totaling \$550 million in the agriculture and natural resources sector will support environmental improvement and ecological conservation in the



Qihe River basin in Henan Province, sustainable utilization and demonstration of farmlands in Fujian Province, flood control and environmental improvement in the Kongmu River watershed in Jiangxi Province, and groundwater protection in Shandong Province.

In Qinghai Province, a new urban project will improve the ecological and environmental services in Haidong City, through more effective water resource and flood management, as well as ecosystem adaptation in the Huangshui River watershed.

To improve air quality in the Beijing–Tianjin–Hebei region, ADB approved a financial intermediary loan of \$500 million for the China National Investment and Guaranty Corporation's green financing platform. ADB also approved a \$150 million financial intermediary loan to help finance clean energy investments in Shaanxi Province, which will accelerate energy efficiency and reduce greenhouse gas emissions. It is anticipated that these two projects will help reduce greenhouse gas emissions in the PRC by 6.2 million tons of carbon dioxide equivalent each year.

In the transport sector, ADB committed \$250 million to develop a modern multimodal transport logistics system in Chongqing and improve rural roads and road safety in poor areas of Ningxia

Liupanshan. ADB also approved new technical assistance to develop the bus network in Jinan, Shandong and improve the city's urban environment.

In December 2016, ADB approved a \$50 million public–private partnership (PPP) project for improved elderly care services to be provided by private sector service providers in Yichang, Hubei Province. The investment which responds to the pressing issue of aging and promotion of private sector participation in delivery of services will serve as an example to other local governments and potentially transform the delivery of social services in the PRC.

ADB approved \$450 million multi-tranche financing facility under the Greater Mekong Subregion program to better connect the PRC's relatively poor Guangxi Zhuang Autonomous Region with Viet Nam's northern border provinces of Cao Bang, Ha Giang, Lang Son, and Quang Ninh. The program will strengthen economic partnerships between the two countries by enhancing physical and information connectivity, supporting SME growth, facilitating cross-border investment and financial services, developing cross-border e-commerce, and improving key infrastructure in border economic zones.

Knowledge sharing remains a key focus of ADB operations in the PRC. In 2016,

ADB developed 58 knowledge products, and organized 80 knowledge-sharing activities tackling the PRC's development issues. Various events discussed the key achievements and lessons learned in the 3 decades of ADB–PRC partnership, including a high-level symposium attended by government officials, think tanks, civil society organizations, and academic institutions.

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 the last 30 years, ADB has approved \$6.3 billion in financing for 45 nonsovereign transactions in the PRC (including B loans). Total outstanding balances and commitments of ADB's nonsovereign transactions in the country as of 31 December 2016 was \$1.77 billion, representing 18% of ADB's total nonsovereign portfolio.

ADB's Trade Finance Program (TFP) fills market gaps by providing guarantees and loans through partner banks in support of trade. The TFP has done over 14,000 transactions supporting over \$26 billion in trade and over 9,300

People's Republic of China: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2005	100.0	3
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
Total	96.4	55

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported here are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do 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 2016.

People's Republic of China: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2015–2016

No. of Ongoing Loans (as of 31 Dec 2016)	86	
	2015 (\$ million)	2016 (\$ million)
Contract Awards/Commitments ^{a,b}	1,348.40	1,288.29
Disbursements ^a	1,152.03	1,606.65
No. of Ongoing Grants (as of 31 Dec 2016)	2	
	2015 (\$ million)	2016 (\$ million)
Contract Awards/Commitments ^{a,b}	0.40	0.52
Disbursements ^{a,c}	(0.04)	0.28
Actual Problem Projects (%) (as of 31 Dec 2016)	9	

() = negative.

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

^b Excludes policy-based lending/grants.

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

People's Republic of China: Projects Cofinanced, 1 January 2012–31 December 2016

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	26	3,034.68
Grants	5	13.00
Official loans	6	1,061.74
Commercial cofinancing	15	1,959.94
Technical Assistance Grants	29	17.58

^a A project with more than one source of cofinancing is counted once.

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

Item	2015		2016		Cumulative (as of 31 Dec 2016)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and						
Related Services	1,984.57	17.90	2,671.33	23.39	27,599.04	17.39
Consulting Services	12.71	1.94	18.48	3.02	151.81	1.35
Total Procurement	1,997.28	17.01	2,689.81	22.35	27,750.85	16.33

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 2012–31 December 2016

Contractor/Supplier	Sector	Contract Amount (\$ million)
Xinjiang Beixin Road and Bridge Group Co., Ltd.	TRA	466.88
Sinohydro Corporation Co., Ltd.	ANR, ENE, TRA	450.02
China Road and Bridge Corp.	TRA	441.40
China Gezhouba Group Corp.	ANR, ENE, TRA, WUS	371.29
China Harbour Engineering Co., Ltd.	TRA	228.27
Others		8,082.20
Total		10,040.06

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 2012–31 December 2016

Contractor/Supplier	Sector	Contract Amount (\$ million)
Energy and Environmental Development Research Center	ANR, EDU, ENE, TRA	7.61
Shanghai Electric Group Co., Ltd.	ENE	4.47
Easen International Co., Ltd.	ANR, TRA, WUS	4.14
ESD China Limited	ANR, ENE, HLT, WUS	4.04
Mott MacDonald (Beijing) Ltd.	ANR, TRA	2.83
Individual Consultants		24.75
Others		31.46
Total		79.30

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

small and medium-sized enterprises in Asia and the Pacific since 2004. In 2016, the TFP supported \$3.1 billion in trade through over 2,080 transactions.

The TFP works with 56 banks operating in the PRC. Isolating TFP support for PRC exports to developing Asia, the Program has supported 1,709 transactions valued at almost \$1.4 billion. TFP supported PRC exports to 6 countries including Armenia, Bangladesh, Mongolia, Pakistan, Uzbekistan, and Viet Nam.

COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. 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.

From 1986 to the end of 2016, cumulative direct value-added (DVA) official cofinancing for the PRC amounted to \$1.36 billion for 32 investment projects and \$57.2 million for 106 technical assistance projects. Cumulative DVA commercial cofinancing for the PRC amounted to \$3.49 billion for 32 investment projects.

In 2016, the PRC received loan cofinancing of \$310 million from the Bank of Beijing for the Air Quality Improvement in the Greater Beijing–Tianjin–Hebei Region – China National Investment and Guarantee Corporation's Green Financing Platform; and \$200 million from the

World Bank for the Beijing–Tianjin–Hebei Air Quality Improvement–Hebei Policy Reforms Program.

A summary of projects with cofinancing from 1 January 2012 to 31 December 2016 is available at www.adb.org/countries/prc/cofinancing

PARTNERSHIPS

The PRC provided \$210 million to the Asian Development Fund for 2005–2016. Early 2017, a memorandum of understanding was signed between ADB and the PRC on the PRC's new financial contribution of \$50 million to the PRC Fund for Poverty Reduction and Regional Cooperation to enable ADB to extend grant-funded technical assistance. Since its establishment in 2005, the PRC has provided \$40 million to the fund, which has supported over 82 technical assistance projects in a number of developing member countries of ADB.

The PRC has also: (i) implemented the free trade agreement with the Association of Southeast Asian Nations (ASEAN); (ii) supported the \$700 million Credit Guarantee and Investment Facility to develop regional corporate bond markets; and (iii) taken lead in establishing the Asian Infrastructure Investment Bank.

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 \$11.09 billion in 2015 and \$11.42 billion in 2016. Cumulative procurement since 1966 was \$158.68 billion covering 206,915 contracts.

In the PRC, 10,772 contracts worth \$27.60 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 \$655.31 million in 2015 and \$612.46 million in 2016. Cumulative procurement since 1966 was \$11.26 billion covering 52,232 contracts.

In the PRC, 2,394 contracts worth \$151.81 million were awarded to consultants since 1986.

OPERATIONAL CHALLENGES

Following the Midterm Review of Strategy 2020, ADB is stepping up its efforts to maximize ADB's development impact through expedient resource transfer and timely implementation of projects. ADB implemented a number of initiatives to make administration of its PRC portfolio more efficient and productive. These initiatives included delegating procurement reviews, disbursement, and review of project audit reports functions to ADB's resident mission in the PRC. ADB also introduced a web application for client disbursements, which allows executing agencies and implementing

agencies to prepare, submit, and track withdrawal applications online. The initial results demonstrate enhanced service level standards and optimized transaction costs.

FUTURE DIRECTIONS

The ADB [country partnership strategy \(CPS\), 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 focuses on the government's reform agenda and strategic priorities, supporting climate change and the environment, regional cooperation and integration (RCI), inclusive economic growth, knowledge cooperation, and institutional and governance reform. During this CPS period, the ADB-PRC operations

will adopt a more programmatic approach to address key developmental issues such as Beijing-Tianjin-Hebei air pollution control, Yangtze River Economic Belt Development, elderly care, climate change and low carbon cities, and RCI. ADB will also help promote private sector development, public-private partnership, and public sector nonsovereign operations. New areas such as green financing facility will also be explored.

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:	\$9.20 billion
Paid-in capital subscription:	\$459.91 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, and to the Technical Assistance Special Fund (TASF), which provides grants to borrowing members to help prepare projects and undertake technical or policy studies.

Contributions to the ADF (committed):	\$101.64 million
Contributions to the TASF (committed):	\$9.96 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 **Wenxing Pan** is the Alternate Director representing the PRC on the ADB Board of Directors.

ADB Director's Advisors

Hai Wang and **Yanrong Wang** 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 2016, lending volume was \$16.35 billion (126 projects), with technical assistance at \$169.03 million (225 projects) and grant-financed projects at \$526.75 million (31 projects). In addition, \$14.06 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 2012 to 31 December 2016, ADB's annual lending volume averaged \$13.74 billion. In addition, investment grants and technical assistance funded by ADB and special funds resources averaged \$562.24 million and \$154.91 million in technical assistance over the same period. As of 31 December 2016, the cumulative totals excluding cofinancing were \$247.28 billion in loans for 2,935 projects in 44 countries, \$7.75 billion in 296 grants, and \$4.06 billion in technical assistance grants, including regional technical assistance grants.

In this publication, "\$" refers to US dollars. Figures are estimated by ADB unless otherwise cited. Data are as of 31 December 2016 unless otherwise indicated. Fact sheets are updated annually in April.

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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