The Asian Development Bank (ADB) has been working with the People’s Republic of China (PRC) since 1986. The PRC remains the bank’s second-largest sovereign borrower and is a major contributor to ADB development finance and knowledge-sharing initiatives. The PRC is now the second-largest economy globally and the country announced eradication of extreme poverty in November 2020. Rapid growth has, however, given rise to new concerns, including social inequality, environmental degradation and pollution, a rapidly aging society, and health. ADB has been partnering with the PRC to address these emerging development challenges and will continue to support the Government of the PRC’s agenda to achieve high-quality, green development under the country’s 14th Five-Year Plan.

Since 1986, ADB has committed sovereign loans totaling $39.2 billion and nonsovereign loans of $4.1 billion (excluding B loans) for the PRC. Cumulative loan and grant disbursements to the PRC amount to $32.51 billion. These were financed by regular ordinary capital resources and other special funds.

### ADB-SUPPORTED PROJECTS AND PROGRAMS

In 2020, ADB committed around $2 billion for 12 sovereign loans and $406 million for seven nonsovereign loans (excluding B loans) for the PRC. This was supplemented by $12.7 million (inclusive of cofinancing) for 27 technical assistance projects.

### People’s Republic of China: 2020 Loans, Grants, Equity Investments, Technical Assistance, and Trade and Supply Chain Finance and Microfinance Program Commitments ($ million)*

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Sovereign</th>
<th>Nonsovereign</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>2,012.55</td>
<td>405.72</td>
<td>2,418.27</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>15.66</td>
<td>0.13</td>
<td>15.79</td>
</tr>
<tr>
<td>Trade and Supply Chain Finance and Microfinance</td>
<td>–</td>
<td>44.49</td>
<td>44.49</td>
</tr>
<tr>
<td>Total</td>
<td>2,028.21</td>
<td>450.34</td>
<td>2,478.55</td>
</tr>
</tbody>
</table>

* = nil, DMC = developing member country, TA = technical assistance.

Notes:
Commitment is the financing approved by ADB’s Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB. Grants and TA include ADB-administered cofinancing.

Numbers may not sum precisely because of rounding.

Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

ADB-financed commitments from nonsovereign revolving programs of which $44.49 million is short term.

### People’s Republic of China: Cumulative Loans, Grants, Equity Investments, Technical Assistance, and Trade and Supply Chain Finance and Microfinance Program Commitments a,b,c,d

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total No.</th>
<th>Total Amount ($ million)e</th>
<th>% of Total Amount</th>
<th>COVID-19 Response ($ million)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects and Technical Assistance</td>
<td>1,283</td>
<td>44,100.76</td>
<td>99.18</td>
<td>153.08</td>
</tr>
<tr>
<td>Agriculture, Natural Resources, and Rural Development</td>
<td>265</td>
<td>6,586.53</td>
<td>14.81</td>
<td>–</td>
</tr>
<tr>
<td>Education</td>
<td>38</td>
<td>879.55</td>
<td>1.98</td>
<td>–</td>
</tr>
<tr>
<td>Energy</td>
<td>205</td>
<td>7,633.67</td>
<td>17.17</td>
<td>20.00</td>
</tr>
<tr>
<td>Finance</td>
<td>104</td>
<td>1,820.41</td>
<td>4.09</td>
<td>75.09</td>
</tr>
<tr>
<td>Health</td>
<td>35</td>
<td>478.92</td>
<td>1.08</td>
<td>57.78</td>
</tr>
<tr>
<td>Industry and Trade</td>
<td>62</td>
<td>1,219.99</td>
<td>2.73</td>
<td>–</td>
</tr>
<tr>
<td>Information and Communication Technology</td>
<td>–</td>
<td>6.18</td>
<td>0.00</td>
<td>0.07</td>
</tr>
<tr>
<td>Multisector</td>
<td>42</td>
<td>536.95</td>
<td>1.21</td>
<td>–</td>
</tr>
<tr>
<td>Public Sector Management</td>
<td>139</td>
<td>74.70</td>
<td>0.17</td>
<td>–</td>
</tr>
<tr>
<td>Transport</td>
<td>259</td>
<td>18,391.46</td>
<td>41.36</td>
<td>0.03</td>
</tr>
<tr>
<td>Water and Other</td>
<td>134</td>
<td>6,482.39</td>
<td>14.58</td>
<td>0.11</td>
</tr>
<tr>
<td>Urban Infrastructure and Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and Supply Chain Finance and Microfinance</td>
<td>1,765</td>
<td>366.65</td>
<td>0.82</td>
<td>43.19</td>
</tr>
<tr>
<td>Finance</td>
<td>885</td>
<td>183.33</td>
<td>0.41</td>
<td>21.59</td>
</tr>
<tr>
<td>Industry and Trade</td>
<td>880</td>
<td>183.33</td>
<td>0.41</td>
<td>21.59</td>
</tr>
<tr>
<td>Total</td>
<td>3,048</td>
<td>44,467.41</td>
<td>100.00</td>
<td>196.26</td>
</tr>
</tbody>
</table>

* = nil, 0.00 = less than 0.005%, COVID-19 = coronavirus disease, DMC = developing member country, TA = technical assistance.

Grants and TA include ADB-administered cofinancing.

Includes sovereign and nonsovereign loans and technical assistance.

Using primary sector in reporting of commitments.

Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

Numbers may not sum precisely because of rounding.

ADB-financed commitments from nonsovereign revolving programs of which $366.65 million is short term.

Updated in May 2021
ADB worked closely with the government and the private sector when the coronavirus disease (COVID-19) first hit the country, channeling about $38.5 million through nonsovereign operations to ensure continued supply of essential medicines and natural gas in the city of Wuhan and other areas of Hubei province.

In education, ADB provided a $100 million loan to improve access to quality early childhood learning in Shangrao Municipality. The program will make education more affordable for more than 3 million disadvantaged children, establish standard competency frameworks for education professionals, and develop models to improve the quality of early childhood education. In Chongqing municipality, ADB provided a $212.35 million loan for a technical and vocational education and training project to provide industry-relevant and innovation-oriented skills and enhance employment prospects of women.

ADB is also incorporating gender perspectives into its infrastructure investments. Through a $294.56 million results-based lending program to help coal users in Henan province switch to gas, the bank is helping women breathe cleaner air and save time on domestic duties via gas stoves that will be installed through the project.

ADB committed a $206.58 million loan for the project to provide industry-relevant and innovation-oriented skills and enhance employment prospects of women. ADB also supported the government through knowledge work, including the sharing of insights on issues such as pension contributions, personal income tax, and post-2020 poverty reduction. Knowledge products have also been published to share the PRC’s experience on areas such as environmental protection, climate finance, aging, health, gender, and healthy cities.

**NONSOVEREIGN OPERATIONS**

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments in loans and equity investments from ADB’s own funds in 2020 amounted to $1.4 billion for 38 transactions in finance policy and risk management while financing green investments. ADB is also supporting low-carbon transport and climate-resilient urban development for Yanji city in Jilin province through a bus rapid transit system estimated to reduce carbon dioxide emissions by 60,000 tons each year.

Under the Yangtze River Economic Belt Framework, ADB committed $101.4 million to help revive the Xin’an River by building river embankments to mitigate flooding, upgrade sewage and stormwater management, and provide 95% of the urban population with access to wastewater treatment. Additionally, the bank committed the equivalent of $105.5 million to promote climate- and disaster-resilient smart urban water infrastructure.

ADB has also supported the government through knowledge work, including the sharing of insights on issues such as pension contributions, personal income tax, and post-2020 poverty reduction. Knowledge products have also been published to share the PRC’s experience on areas such as environmental protection, climate finance, aging, health, gender, and healthy cities.

**PARTNERSHIPS**

The PRC provided $210 million to the Asian Development Fund between 2005 and 2016. In 2017, ADB and the government signed an agreement on the country’s financial contribution of $50 million to the PRC Poverty Reduction and Regional Cooperation Fund, bringing the total commitment to the fund to $90 million. This allows ADB to extend technical assistance and grants that support poverty reduction, regional cooperation, and knowledge sharing to economic and social infrastructure, finance sector, and agribusiness.

ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2020, ADB mobilized $1.9 billion of long-term project cofinancing and $3.3 billion of cofinancing through its Trade and Supply Chain Finance Program and Microfinance Program. Total outstanding balances and commitments of nonsovereign transactions funded by ADB’s own resources stood at $14.3 billion as of 31 December 2020.

In 2020, commitments from ADB’s own funds amounted to $405.7 million for three leasing projects, an urban water infrastructure project, a pharmaceutical distribution project, and two COVID-19 support projects in the PRC. Total outstanding balances and commitments of ADB’s nonsovereign transactions in the country as of 31 December 2020 was $1.96 billion, representing 14% of ADB’s total nonsovereign portfolio.
its developing member countries. As of December 2020, the fund has supported three project investment grants ($2.6 million) and 109 technical assistance projects ($60.9 million).

**FINANCING PARTNERSHIPS**

Financing partnerships 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 loans and grants, technical assistance, and other nonsovereign cofinancing such as B loans, risk transfer arrangements, parallel loans and equity guarantee cofinancing, and cofinancing for transactions under ADB’s Trade and Supply Chain Finance Program and Microfinance Program.

ADB began cofinancing operations in the PRC in 1987. Since then, sovereign cofinancing commitments for the PRC have amounted to $2.62 billion for 36 investment projects and $66.23 million for 116 technical assistance projects. Nonsovereign cofinancing for the PRC has amounted to $3.15 billion for 33 investment projects and $4.42 million for three technical assistance projects.

In 2020, the PRC received $206.5 million loan cofinancing from Kreditanstalt für Wiederaufbau for the Anhui Huangshan Xin’An River Ecological Protection and Green Development Project. A summary of projects with cofinancing from 1 January 2016 to 31 December 2020 is available at www.adb.org/countries/prc/cofinancing.

**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 all ADB members.

**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 $14.19 billion in 2019 and $22.79 billion in 2020. Cumulative procurement since 1966 has been $14.13 billion covering 67,086 contracts.

For consultants from the PRC, 3,338 contracts worth $226.33 million have been awarded since 1986.

**OPERATIONAL CHALLENGES**

As most ADB operations target the PRC’s less-developed regions, operational challenges persist where overall institutional capacity and policies are weaker and an increasing number of projects are implemented by the lower level of municipality and county governments that have limited institutional experience with ADB procedures.

Under the new country partnership strategy, 2021–2025, ADB is committed to fostering a more focused and multifaceted partnership with the PRC to enable the country to increasingly assume the responsibilities of a high-quality development partner. The evolution of the partnership also requires ADB operations to be more selective and catalytic, focusing on development challenges where the bank can add value through innovative and instructive projects that generate regional public goods, knowledge, and best practices for replication.

**FUTURE DIRECTIONS**

Aligning with the country’s 14th Five-Year Plan, the overarching goal of ADB’s new
A bank’s country partnership strategy is to support government efforts to achieve high-quality, green development. Consistent with the bank’s approach to upper middle-income countries, investments and knowledge solutions will focus on the strategic priorities of environmentally sustainable development, climate change adaptation and mitigation, and addressing demographic aging and health security. Specific areas of engagement will be determined by ADB’s ability to strengthen policies and institutions, support the generation of regional and global public goods, and create and disseminate knowledge. Close cooperation between ADB’s sovereign and nonsovereign operations will be promoted to help develop efficient and effective solutions to the PRC’s complex development issues, and to replicate and scale up these solutions for other ADB developing member countries.

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: 723,114 (5.437% of total membership,
8.349% of total regional membership)
*Overall capital subscription: $9.85 billion
*Paid-in capital subscription: $492.73 million
*United States dollar figures are valued at rate as of 31 December 2020.

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): $183.36 million
Contributions to the TASF (committed): $28.24 million
Contributions to the ADBI (committed): $2 million

Liu Kun is the Governor and Zou Jiayi is the Alternate Governor for the PRC in ADB.

Weihua Liu is the Director and Xia Lyu is the Alternate Director representing the PRC on the ADB Board of Directors.

Yolanda Fernandez Lommen 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 Asia and the Pacific 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 2020, lending volume was $26.9 billion (149 projects), with technical assistance at $293.56 million (275 projects) and grant-financed projects at $1.08 billion (62 projects). In addition, $16.41 billion was generated for sovereign and nonsovereign cofinancing in the form of loans and grants, B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB’s Trade and Supply Chain Finance Program and Microfinance Program. From 1 January 2016 to 31 December 2020, ADB’s annual lending volume averaged $19.69 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged $805.5 million and $230.81 million respectively over the same period. As of 31 December 2020, the cumulative commitments excluding cofinancing were $323.17 billion in loans for 3,369 projects in 44 countries, $11.3 billion in 495 grants, and $5.01 billion in technical assistance grants, including regional technical assistance grants.

Notes:
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 2020 unless otherwise indicated.