Memorandum of Understanding

Between the National Development and Reform Commission and Ministry of Finance, People’s Republic of China and Asian Development Bank

On

Support for Rural Vitalization in the People’s Republic of China
To promote agricultural and rural development in the People’s Republic of China (PRC), the National Development and Reform Commission (NDRC) and Ministry of Finance (MOF), PRC have conducted consultations with the Asian Development Bank (ADB) in view of the emerging need for implementation of a rural vitalization strategy in the PRC, and the parties desiring to deepen their financial and knowledge cooperation, have reached the following understanding:

Article I

The parties note that the objectives of the rural vitalization strategy of the PRC to promote poverty reduction and rural development and green and inclusive growth are highly consistent with operational priorities of ADB Strategy 2030. In addition to helping to alleviate absolute poverty and promote development of agriculture and rural areas in the PRC, ADB’s engagement with the PRC in connection with its rural vitalization strategy will contribute to dissemination of experiences in environmental protection and improvement, rural development and poverty alleviation to other countries and/or regions, that will promote inclusive and sustainable development in the Asia and Pacific Region. All parties agree that PRC should apply ADB funds and knowledge resources to support appropriate aspects of the implementation of the PRC rural vitalization strategy with a focus on innovative, demonstrative, and replicable pilot projects, and exploring new cooperation modalities.

Article II

It is anticipated that an assistance package amounting up to US$6 billion is to be sought from ADB along with other development partners to support implementation
of the PRC rural vitalization strategy during the period from 2018 to 2022. ADB’s engagement with rural vitalization will be in-line with ADB’s People’s Republic of China Country Partnership Strategy (2016-2020) and will be subject to obtaining approvals under ADB’s and PRC’s internal policies and approval processes for each project and initiative. ADB’s engagement from 2021 onwards will be subject to the scope of the new Country Partnership Strategy. The assistance package may include sovereign loans, non-sovereign loans, equity investment, technical assistance, and grants mobilized through other development partners.

Article III

In compliance with the principles set at the 19th National Congress of Communist Party of China setting the objectives of the rural vitalization strategy, NDRC will work together with MOF, with full respect of the local governments’ priorities and needs, and will prepare a set of issue-focused high quality projects for the purpose of maximizing the benefits of ADB funding and knowledge support.

MOF will work together with NDRC and ADB to enhance the oversight of project implementation for loans in support of the common objectives of the PRC rural vitalization strategy, thus strengthening the innovations and demonstration effects to be generated by these projects and the value addition associated and ensuring project quality and efficiency.

All parties agree that special attention should be given to risk management and debt management for loans provided for support of the PRC rural vitalization strategy to ensure effective use of the funds and to secure timely debt repayment.
Article IV

It is agreed among the parties that ADB support to the rural vitalization strategy may cover the following areas:

i. Taking the management of solid waste and wastewater in rural area as a priority, to build ecologically-friendly and livable rural villages by improving the rural environment, addressing rural and agricultural non-point source pollution, and promoting reuse of agricultural waste;

ii. Enhancing rural development through modernizing agriculture and raising productivity via improving farming, cultivation, infrastructure and machinery and equipment; dissemination of innovations in science and technology; development of modernized production and marketing systems; exploring the use of information and communication technology including internet, big data and block chain in agricultural production, marketing, management and extension services, and in securing food safety; and improving infrastructure for agriculture-associated logistics services;

iii. Supporting development of demonstration development zones for promotion of integrated rural and agricultural development and promoting integrated development of primary, secondary and tertiary industries in rural areas;

iv. Improving provision of public services in rural areas in regard to health, education, elderly care, labor training, and employment assistance;

v. Supporting integrated urban-rural development and promoting free flows of market resources and factors between urban and rural areas;
vi. Providing support in the form of policy advice, capacity development and exchange of personnel between ADB and PRC; and

vii. Providing such other support as may be agreed from time to time between the parties consistent with this MOU.

**Article V**

Support of rural vitalization requires not only funding support, but also knowledge inputs. The parties agree to deepen their cooperation in this area. In addition to generating knowledge via technical assistance for project preparation, ADB may, based on its institutional strength, provide country specific or regional technical assistance to introduce international advanced experiences and to provide a wide variety of knowledge support, and to promote knowledge sharing and knowledge cooperation between PRC and other ADB members in the area of rural vitalization.

**Article VI**

This MOU and information with respect to the activities contemplated herein may be publicly disclosed by ADB in accordance with ADB’s Public Communication Policy (2011, as amended from time to time).

**Article VII**

This MOU is not intended to create any legal relationship between the parties or to impose formal obligations on any of them. Any costs related to the implementation of activities under this MOU are subject to the availability of appropriate funds, in
conformity with budgetary provisions and the relevant laws, regulations and policies applicable to each party.

No provision of this MOU will be construed to interfere in any way with the independent decision-making autonomy of the parties with regard to their respective affairs and operations.

Article VIII

This MOU will take effect from the date on which it is signed by the authorized representatives of all three parties, and will have effect until 31 December 2022. This MOU may be terminated by any party by giving three (3) months’ prior notice in writing to the others.

This MOU is signed in Beijing, PRC on the 29 of August 2018, in triplicate in the Chinese and English languages, with each party retaining one. Both texts are equally authentic, with the English version to prevail in case of any discrepancy.

People’s Republic of China People’s Republic of China Asian Development
National Development and Ministry of Finance Bank
Reform Commission

[Signatures]

Representative

Representative

Representative