

# Asian Development Bank & People's Republic of China

## FACT SHEET

**Table 1. People's Republic of China: Development Indicators**

Non-MDG	
Population in millions	1,341.00 (2010)
Annual population growth rate (%)	0.5 (2008–2010)
Adult literacy rate (%)	93.7 (2008)
Percent of population in urban areas	44.0 (2009)
MDG	
Percent of population living on less than \$1.25 a day	15.9 (2005)
Percent of population living below the national poverty line	3.8 <sup>a</sup> (2009)
Under-5 mortality rate per 1,000 live births	19.0 (2009)
Percent of population using an improved drinking water source	89.0 (2008)

MDG = Millennium Development Goal.

<sup>a</sup> Refers to rural population.

Sources: ADB. 2011. *Basic Statistics 2011*. Manila; UNESCO. 2011. Institute for Statistics Data Centre; World Bank. 2011. World Development Indicators Online.

**Table 2. People's Republic of China: Economic Indicators, 2006–2010**

Economic Indicator	2006	2007	2008	2009	2010
Per capita GNI, Atlas method (\$)	2,050	2,490	3,050	3,650	...
GDP growth (% change per year)	12.7	14.2	9.6	9.2	10.3
CPI (% change per year)	1.5	4.8	5.9	(0.7)	3.3
Unemployment rate <sup>a</sup> (%)	4.1	4.0	4.2	4.3	4.3
Fiscal balance (% of GDP)	(0.8)	0.6	(0.4)	(2.9)	(2.1)
Export growth (% change per year)	27.2	25.8	17.6	(16.1)	31.4
Import growth (% change per year)	19.7	20.3	18.7	(11.1)	39.1
Current account balance (% of GDP)	9.3	10.6	9.4	6.0	5.2
External debt (% of GNI)	12.1	11.4	9.4	8.8	...

( ) = negative, ... = data not available, CPI = consumer price index, GDP = gross domestic product, GNI = gross national income.

<sup>a</sup> Refers to urban population only.

Sources: ADB. 2011. *Asian Development Outlook 2011*. Manila; ADB staff estimates; World Bank. 2011. World Development Indicators Online.

The People's Republic of China (PRC) has received a total of \$24.54 billion in loans assistance since joining the Asian Development Bank (ADB) in 1986, making it ADB's second largest borrower and its largest client for private sector financing. In 2010, ADB approved \$1.321 billion in sovereign loans to the PRC, \$587 million in private sector loans and equity investment, and \$22.17 million in technical assistance (TA).

The PRC has deepened its relationship with ADB on many fronts. In 2005, it contributed \$30 million to the Asian Development Fund (ADF) and established the \$20 million PRC Regional Cooperation and Poverty Reduction Fund, becoming the first developing member country to set up such a fund with an international development agency. In 2008, the PRC contributed \$35 million to the ADF. In 2010, the PRC was one of the earliest members to subscribe to ADB's fifth general capital increase.

ADB works closely with the PRC to promote regional cooperation and integration. The PRC is both a participating member country and a financial contributor to the Central Asia Regional Economic Cooperation (CAREC) Program and the Greater Mekong Subregional (GMS) Cooperation Program. In 2010, the PRC contributed \$200 million to the \$700 million ASEAN+3 Credit Guarantee and Investment Facility to promote financial stability and boost long-term investment, which will guarantee local currency-denominated bonds issued by companies in the region. Bilateral cooperation between the PRC and Mongolia is another priority, particularly in customs cooperation, cross-border transport and trade facilitation, and effective transport corridor performance monitoring.

## Impact of Assistance

ADB continued its strategic reorientation to facilitate inclusive, environmentally sustainable development with increased lending for energy conservation and clean energy, and urban and rural development.

In recent years, ADB has moved toward financing greener and more sustainable means of transport that are accessible, efficient, safe, clean, and affordable. In 2010, ADB approved three transport loans for \$550 million. A second tranche of the multitranche financing facility for the Railway Energy Efficiency and Safety Enhancement Investment Program is improving energy efficiency and safety on railways in southwestern PRC.

Given the PRC's rapid urbanization, ADB financed three projects amounting to \$350 million in 2010 to help the PRC develop strategies for sustainable urban and social development in small and medium-sized cities, focusing on environmental protection, integrated urban and city-cluster development, job creation, technical and vocational education and training, improved health, social progress, equity, good governance, and financing options.

Energy sector lending operations in 2010 included a 250-megawatt, integrated-gasification, combined-cycle power plant at Tianjin, the first plant of its kind in a developing country. Non-lending operations included analytical and capacity development work in the new, challenging technologies of smart-grid, carbon capture and storage, and grid-connected concentrated solar power and solar photovoltaic technology. These grant projects are the first of their kind in the PRC. ADB intends to strengthen projects that will directly support the sector's emerging priorities in the 12th Five-Year Plan.

ADB supports sustainable, integrated land and water resources management; sustainable agriculture linking small-scale farmers to markets; agriculture infrastructure such as irrigation; rural renewable energy development; biodiversity conservation; ecosystem management; and climate change mitigation. In 2010, assistance for three projects amounted to \$135.88 million covering rural renewable biomass energy development, reforestation, and endangered reservoir rehabilitation.

ADB has consistently supported the government in restructuring state-owned financial institutions and developing a market-based financial system. Finance operations provide access to finance for the underserved; and strengthen financial stability. ADB is working on local and municipal government finance, and building institutional capacity for better governance.

In 2010, \$587 million in loans and equity for private sector operations focused on the environmental protection of the Songhua River Basin, the promotion of urban district heating using clean energy, and the development of wind power. Providing equity and loans of up to \$146.6 million to a private company to improve water supply and wastewater treatment facilities in the PRC's Songhua River Basin was a major breakthrough in ADB's efforts to promote public-private partnerships (PPPs) in infrastructure. ADB launched the first international renminbi (RMB)-denominated bond of RMB1.2 billion, which will help develop the offshore RMB bond market and support ADB's private sector and nonsovereign operations.

Streamlining ADB procedures and synchronizing them with government procedures improved project readiness and implementation, and results-based portfolio management and development effectiveness. ADB strengthened its resident mission in the PRC to increase portfolio management and disbursement responsibilities, and selectively delegated administration of TA projects to executing agencies, which led to overall improvements in performance indicators.

Knowledge management is an integral part of operations in the PRC. The knowledge products and services program for the PRC is in response to country demand, and is focused on macro-economic management, energy efficiency and environmental protection, poverty reduction, and promotion of inter-provincial cooperation. ADB will continue to establish partnerships with the PRC's centers of excellence, enhance sharing, and increase resources for knowledge products and services. In 2010, 36 knowledge products were produced and disseminated through a compendium, and through workshops, book launches, and international conferences. Joint initiatives were launched to promote South-South cooperation. ADB has also financed policy studies to support the National Development and Reform Commission in the preparation of the 12th Five-Year Plan.

ADB worked with the government at all levels to disseminate lessons learned from projects through workshops and extensive training programs for new counterpart agencies and staff. A nationwide workshop on transport demonstrated people-oriented and environment-friendly concepts in building expressways. A regional workshop on transport infrastructure was held with participants from 15 Asian countries to promote South-South knowledge cooperation.

In 2010, 23 TA provisions boosted policy and capacity development support in provincial development strategies; fiscal and tax reform; urbanization strategies; issues related to minimum incomes, rural pensions, and cooperative medical schemes; eco-compensation legislation, renewable energy development, energy efficiency, and emission controls; and community-led development and microfinance in partnerships between prosperous and less affluent areas. The TA facility for capacity building established in 2010 was an important knowledge initiative that will enhance ADB's partnership with the PRC.

In 2010, the TA award program, the delegation of administration to executing agencies, and a consultation workshop strengthened TA dissemination and country ownership. To share knowledge in urban management, which can be applied in the PRC or in other developing member countries, ADB established an Urban Knowledge Hub with Tongji University to disseminate good practices in sustainable urban development. ADB also signed a partnership agreement with the China Urban Water Association to build capacity of water utilities.

**Table 3. People's Republic of China: 2010 Loan, Technical Assistance, and Grant Approvals (\$ million)**

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
1,320.88	256.62	22.17	18.20	1,617.87

Cumulative Lending (as of 31 Dec 2010) : \$24,536.6 million  
 Cumulative Disbursements (as of 31 Dec 2010) : \$16,366.1 million

**Table 4. People's Republic of China: Cumulative ADB Lending as of 31 December 2010**

Sector	Loans (no.)	Amount (\$ million)	% <sup>a</sup>
Agriculture and Natural Resources	22	1,825.40	7.44
Education	–	–	–
Energy	37	3,587.71	14.62
Finance	8	600.72	2.45
Health and Social Protection	–	–	–
Industry and Trade	5	674.80	2.75
Public Sector Management	–	–	–
Transport and ICT	69	13,122.50	53.48
Water Supply and Other Municipal Infrastructure and Services	29	3,099.28	12.63
Multisector	13	1,626.20	6.63
<b>Total</b>	<b>183</b>	<b>24,536.61</b>	<b>100.00</b>

– = nil, ICT = information and communication technology.

<sup>a</sup> Total may not add up because of rounding.

**Table 5. People's Republic of China: Project Success Rates**

Sector	% <sup>a</sup>	No. of Rated Projects/Programs
Agriculture and Natural Resources	66.67	9
Energy	93.75	16
Finance	66.67	6
Industry and Trade	60.00	5
Transport and ICT	94.59	37
Water Supply and Other Municipal Infrastructure and Services	90.91	11
Multisector	100.00	3
<b>Total</b>	<b>87.36</b>	<b>87</b>
<b>Year of Approval</b>		
1980s	66.67	6
1990s	85.94	64
2000s	100.00	17

ICT = information and communication technology.

<sup>a</sup> Based on aggregate results of project/program completion reports (PCRs), PCR validation reports (PCRVRs), and project/program evaluation reports (PPERs) using PCRVR or PPER ratings in all cases where PCR and PCRVR/PPER ratings are available.

Sources: PCRs, PCRVRs, and PPERs containing a rating circulated as of 31 December 2009.

**Table 6. People's Republic of China: Portfolio Performance Quality Indicators for Sovereign Lending, 2009–2010**

Number of Ongoing Loans (as of 31 Dec 2010)	69	
	2009 (\$ million)	2010 (\$ million)
Contract Awards/Commitments	1,122.9	1,377.7
Disbursements	1,341.7	1,341.7
Loans at Risk (%)	1.5	1.4

Note: Totals may not add up because of rounding.

## Cofinancing and Procurement

Cofinancing operations enable ADB's financing partners—government or their agencies, multilateral financing institutions, and commercial organizations—to participate in the financing of ADB projects. The additional funds are provided in the form of grants, official or commercial loans, and syndications.

In 2010, a total of \$12.2 million in grant cofinancing was provided for the PRC, of which \$9.2 million was from the Global Environment Facility and \$3.0 million was from the Multidonor Trust Fund under the Clean Energy Financing Partnership Facility for the Integrated Renewable Biomass Energy Development Sector project. Commercial cofinancing, through three B-loans amounting to \$320.0 million was approved for three projects, namely: the Municipal Natural Gas Infrastructure Development Project (Phase 2), Jilin Wind Power, and the Songhua River Basin Water Pollution Control and Management Project Private Sector Facility. ADB approved \$36.8 million for 77 technical assistance projects.

As of year-end 2010, cumulative direct value-added cofinancing for the PRC amounted to \$1.69 billion for 34 investment projects and \$36.8 million for 77 technical assistance projects.

A summary of projects with cofinancing from 1 January 2006 to 31 December 2010 is available at [www.adb.org/Documents/Fact\\_Sheets/PRC/cofinancing.asp](http://www.adb.org/Documents/Fact_Sheets/PRC/cofinancing.asp)

A summary of procurement contracts awarded to companies and consultants from the PRC for goods and works, and consulting services can be found at [www.adb.org/Documents/Fact\\_Sheets/PRC/procurement.asp](http://www.adb.org/Documents/Fact_Sheets/PRC/procurement.asp)

## Partnership

ADB participated in conferences and informal roundtable discussions coordinated by development partners on preparation of the 12th Five-Year Plan and the new Ten-Year Poverty Reduction Plan. ADB also hosted consultations as part of the process for implementing its country partnership strategy (CPS), 2008–2010, and for preparing the new CPS, 2011–2015. ADB also works with civil society organizations to strengthen the effectiveness, quality, and sustainability of its programs.

The CPS, 2008–2010 committed ADB to help the government strengthen the participation of civil society organizations in poverty reduction and socioeconomic development.

ADB's grant resources support community-driven development and gender-balanced activities to ensure long-term, positive social benefits for several infrastructure and agriculture projects. Activities include providing training in small business development, health and hygiene awareness, and community-based rural road maintenance by women from ethnic minority groups in western Yunnan province.

ADB is also helping the government assess innovative mechanisms for promoting East–West cooperation through community-driven development and microfinance initiatives.

## Operational Challenges

The country's growing importance in the global and regional economy and increased emphasis on rebalancing growth require ADB to ensure its operations are relevant and responsive to the PRC's needs and add value to the country's future development. Emerging challenges include the need to (i) further align operations with the PRC's redoubled efforts to promote environmentally sustainable and inclusive growth, South–South cooperation, and knowledge sharing; (ii) reduce transaction costs by streamlining operational procedures; (iii) increase knowledge content and demonstration effects through innovative pilot projects and the dissemination of knowledge; (iv) expand private sector and nonsovereign operations, particularly in green infrastructure, through PPPs; (v) promote subregional cooperation and the regional public goods essential for stable, inclusive, and environment-friendly economic development; (vi) support capacity building and institutional strengthening; and (vii) continue the TA delegation initiative to enhance government ownership.

**Table 7. People's Republic of China: Projects Cofinanced, 1 January 2006–31 December 2010**

Cofinancing	No. of Projects	Amount (\$ million)
Projects*	19	1,097.79
Grants	10	26.59
Commercial loans and syndications	9	1,071.20
Technical Assistance Grants	30	14.35

\*A project with more than one source of cofinancing is counted once.

**Table 8. People's Republic of China: Share of Procurement Contracts**

Item	2009		2010		Cumulative (as of 31 Dec 2010)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods and Works	1,419.80	13.77	1,690.20	25.99	14,781.26	15.14
Consulting Services	9.07	2.09	14.94	3.59	74.28	0.96

**Table 9. People's Republic of China: Contractors/Suppliers Involved in ADB Loan Projects, 1 January 2006–31 December 2010**

Contractor/Supplier	Sector	Contract Amount (\$ million)
Guangxi Road & Bridge Construction Co. Ltd.	Transport and ICT/ Water Supply and Other Municipal Infrastructure and Services	221.68
Sinohydro Corporation	Transport and ICT/Energy/Agriculture and Natural Resources	207.45
Long Jian Road & Bridge Co. Ltd.	Transport and ICT	170.12
China International Water & Electric Co. (CWE)	Transport and ICT/Energy	154.88
Hunan Road & Bridge Construction Group Corp.	Transport and ICT	127.38
China Railway Materials Import & Export	Transport and ICT	101.19
Guangxi Road & Bridge Engineering Corp.	Transport and ICT	81.97
Sichuan Road & Bridge (Group) Co. Ltd.	Transport and ICT	80.31
Sichuan Chuanjiao Road & Bridge Communication	Transport and ICT	77.84
China Railway 12th Bureau Group Co. Ltd.	Transport and ICT	72.56

ICT = information and communication technology.

**Table 10. People's Republic of China: Top Consultants (Individual Consultants and Consulting Firms) Involved in ADB Loan Projects, 1 January 2006–31 December 2010**

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Easen International Co., Ltd.	3	3.45
Hydroqual, Inc	1	2.50
NREM International Inc., Canada	1	2.00
Black & Veatch International Company USA	1	1.58
Beijing Huaxu Eng'g Constr Constng Supvsn	1	1.09
Shaanxi Communications Highway Design	2	0.74
DHV Beijing Environmental Engineering Co. Ltd.	1	0.63
Poyry (Beijing) Consulting Company Limited	1	0.52
Hanzhong City Zhongjiao Highway Design	3	0.51
Shaanxi Xing Tong Supervision and Consulting	3	0.46
Individual consultants	6	0.28

## Future Directions

In 2010, ADB and the PRC launched the preparation of the next CPS, which will support the priorities of the PRC's 12th Five-Year Plan (2011–2015) that interface with ADB's Strategy 2020.

The PRC is deepening reforms; transforming its economic structure; and rebalancing growth toward a consumption-driven, service-oriented, and environmentally sustainable economy. ADB is striving to enhance its responsiveness to these emerging issues and challenges.

The 2011–2013 lending pipeline will focus on urban environmental improvement, technical and vocational education and training, energy efficiency and emissions reduction, natural resource conservation, energy-efficient transport, road maintenance, and integrated rural–urban development. The pipeline totals \$5.5 billion, of which about 42% will support transport infrastructure and maintenance; 17% agriculture and natural resources; 29% urban development, water supply, and sanitation; and 12% energy.

ADB has programmed a total of \$31.9 million in TA for 2011–2012, consisting of 15 project preparatory TA projects for 2011, and 36 capacity development/policy advisory TA projects for 2011–2012. The latter include support for a number of major legislative and policy reforms, environment protection and energy efficiency initiatives, and support for sector reforms and strategic repositioning.

Table 11. **People's Republic of China: Top Consultants (Individual Consultants and Consulting Firms) Involved in ADB Technical Assistance Projects, 1 January 2006–31 December 2010**

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Beijing Sinoc Investment Consulting Co., Ltd.	6	2.85
Tera Beijing Consulting Co., Ltd.	2	1.30
Inst. of Eng. Thermophysics, Chinese Academy of Science	1	1.14
Research Institute of Highway	3	1.06
ESD China Ltd.	2	0.91
Cecic Blue-Sky Investment Consulting & Management	1	0.89
Beijing BJT Consulting Ltd.	1	0.76
China Academy of Transportation Sciences (CATS)	2	0.74
Grandall Legal Group	1	0.70
Easen International Co., Ltd.	1	0.60
Individual consultants	505	10.16

## About the People's Republic of China and ADB

### ADB Membership

Joined 1986

### Shareholding and Voting Power

The People's Republic of China (PRC) is the second largest shareholder among regional members and the third largest overall.

Figures are as of 1 April 2009, before ADB's Board of Governors voted to adopt the fifth general capital increase. The process is ongoing, and the final figures are expected to be available by 30 June 2011. Current subscription levels are available from the Office of the Secretary.

Shares held 228,000 (6.43%)      Votes 241,232 (5.44%)

### ADB Governor

**The Honorable Xuren Xie**, Minister, Ministry of Finance of the People's Republic of China, is the Governor for PRC in ADB.

### ADB Alternate Governor

**Mr. Yong Li, Vice Minister**, Ministry of Finance of the People's Republic of China, is the Alternate Governor for PRC in ADB.

### ADB Executive Director and Alternate Executive Director

**Mr. Yingming Yang** is the Executive Director and **Ms. Xiuzhen Guan** is the Alternate Executive Director representing the PRC on the ADB Board of Directors.

### ADB Executive Director's Advisors

**Mr. Feng Gong** and **Ms. Tingting Mu** are the advisors to the Executive Director for PRC.

### PRC Resident Mission

**Paul J. Heytens** is the ADB Country Director for the PRC. The People's Republic of China Resident Mission (PRCM) was opened in 2000 and provides the primary operational link between ADB and the government, private sector, and civil society stakeholders in its activities. PRCM engages in policy dialogue and acts 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 (TA). In 2010, lending volume was \$11.46 billion (106 projects), with TA at \$175 million (243 projects) and grant-financed projects at \$982 million (40 projects). In addition, \$3.67 billion in direct value-added loan, grants and TA cofinancing was generated. From 1 January 2006 to 31 December 2010, ADB's annual lending volume averaged \$10.3 billion. In addition, TA and investment grants funded by ADB and special funds resources averaged \$692.6 million and \$175.4 million in TA over the same period. As of 31 December 2010, the cumulative totals excluding cofinancing were \$167.1 billion in loans for 2,328 projects in 42 countries, \$4.4 billion in 163 grants, and \$3.15 billion in TA grants, including regional TA grants.

## Contacts

### People's Republic of China Resident Mission

17th Floor, China World Tower  
1 Jianguomenwai Avenue  
Chaoyang District, Beijing 100004  
People's Republic of China  
Tel +86 10 8573 0909  
Fax +86 10 8573 0808  
adbprcm@adb.org

### ADB Headquarters

6 ADB Avenue, Mandaluyong City  
1550 Metro Manila, Philippines  
Tel +63 2 632 4444  
Fax +63 2 636 2444  
information@adb.org

### Ministry of Finance

Sanlihe, Xicheng District, Beijing 100820  
People's Republic of China  
Fax +86 10 6855 1125

### Useful ADB websites

Asian Development Bank  
[www.adb.org](http://www.adb.org)

ADB website in Chinese  
[cn.adb.org](http://cn.adb.org)

Country website  
[www.adb.org/prc](http://www.adb.org/prc)

Asian Development Outlook  
[www.adb.org/documents/books/ado/2011/ado2011-prc.pdf](http://www.adb.org/documents/books/ado/2011/ado2011-prc.pdf)

Annual Report  
[www.adb.org/Documents/Reports/Annual\\_Report/2010/default.asp](http://www.adb.org/Documents/Reports/Annual_Report/2010/default.asp)

Depository Libraries  
[www.adb.org/Publications/Depositories/prc.asp](http://www.adb.org/Publications/Depositories/prc.asp)