

Asian Development Bank and Its Operations in the People's Republic of China

May 2019

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Topics for Today

1. ADB – The Institution
2. ADB – Strategy 2030
3. ADB – The Operations
4. ADB in PRC



Topics for Today

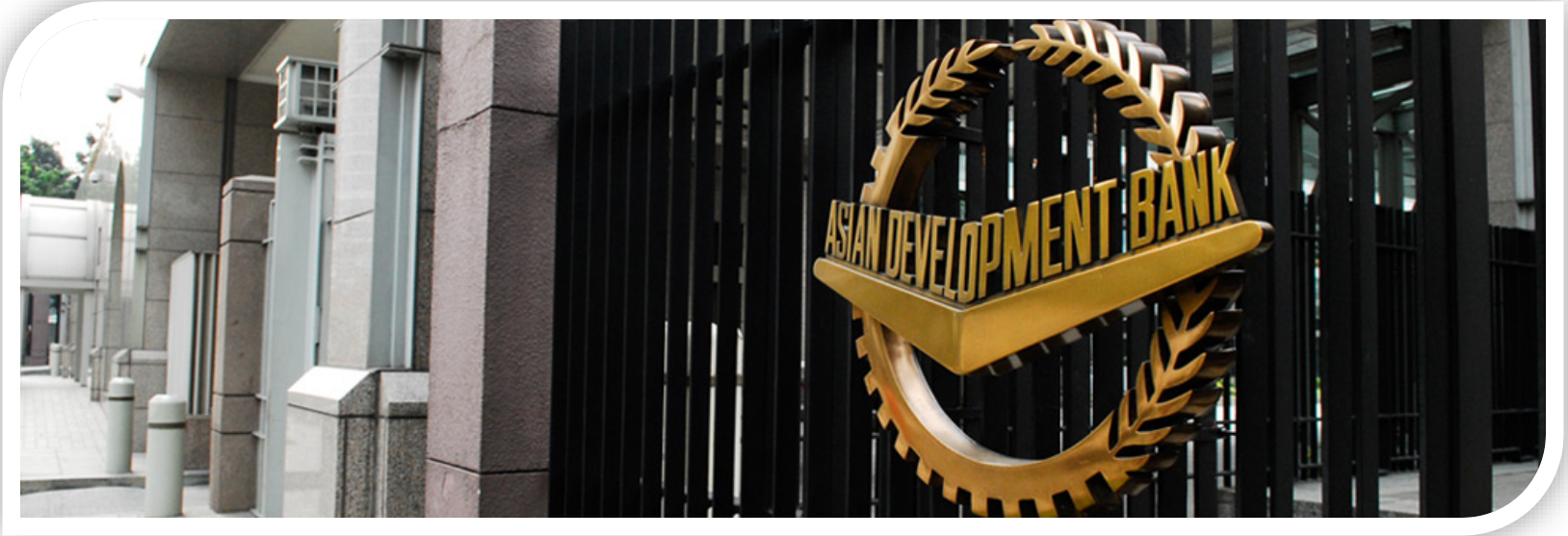
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FOUNDED IN 1966



- 68 members; 49 in the region; 19 non-regional
- 41 borrowing members
- Japan and the United States are the 2 largest members

Asian Development Bank (ADB)

- From 1966 to 2019
 - 31 founding members: 19 regional members, 12 non-regional members
 - 68 current members: 49 regional members, 19 non-regional members
- Headquartered in Manila, Philippines
- Bonds issued first in Germany (1969), followed by in Austria (1970), Japan (1970), and the U.S. (1971)
- Main Roles: help developing member countries in Asia and Pacific through: (i) combining finance and knowledge; (ii) promoting good policies; and (iii) catalyzing regional cooperation and friendship.
- 3,374 Staff (including international staff 1,242)



ADB Regional Members (49 economies)



Contribution by Members

- **Ordinary Capital Resources** (capital share, voting power share)
Japan (15.6%, 12.8%), United States (15.6%, 12.8%),
PRC (6.4%, 5.4%), India (6.3%, 5.4%), Australia (5.8%, 4.9%),
Indonesia (5.4%, 4.6%), Canada (5.2%, 4.5%), Korea (5.0%, 4.3%),
Germany (4.3%, 3.8%), others (30.4%, 41.5%)
- **Asian Development Fund** (cumulative contribution)
Japan (38.1%), United States (13.8%), Australia (7.9%),
Canada (6.0%), Germany (5.7%), United Kingdom (5.0%),
France (4.2%), others (19.3%)
- **International Staff** (1,242 as of December 2018)
Japan (156), United States (143), India (90), Australia (71), Korea (71),
United Kingdom (71), PRC (66), Canada (51), Philippines (45),
Germany (44), France (42), Pakistan (38), Indonesia (30), others (324)



ADB's LOCAL CHARACTER



- Focus on Asia and the Pacific
- Concern for small economies
- Promoting regional and sub-regional cooperation
- Developing domestic bond markets

OFFICES

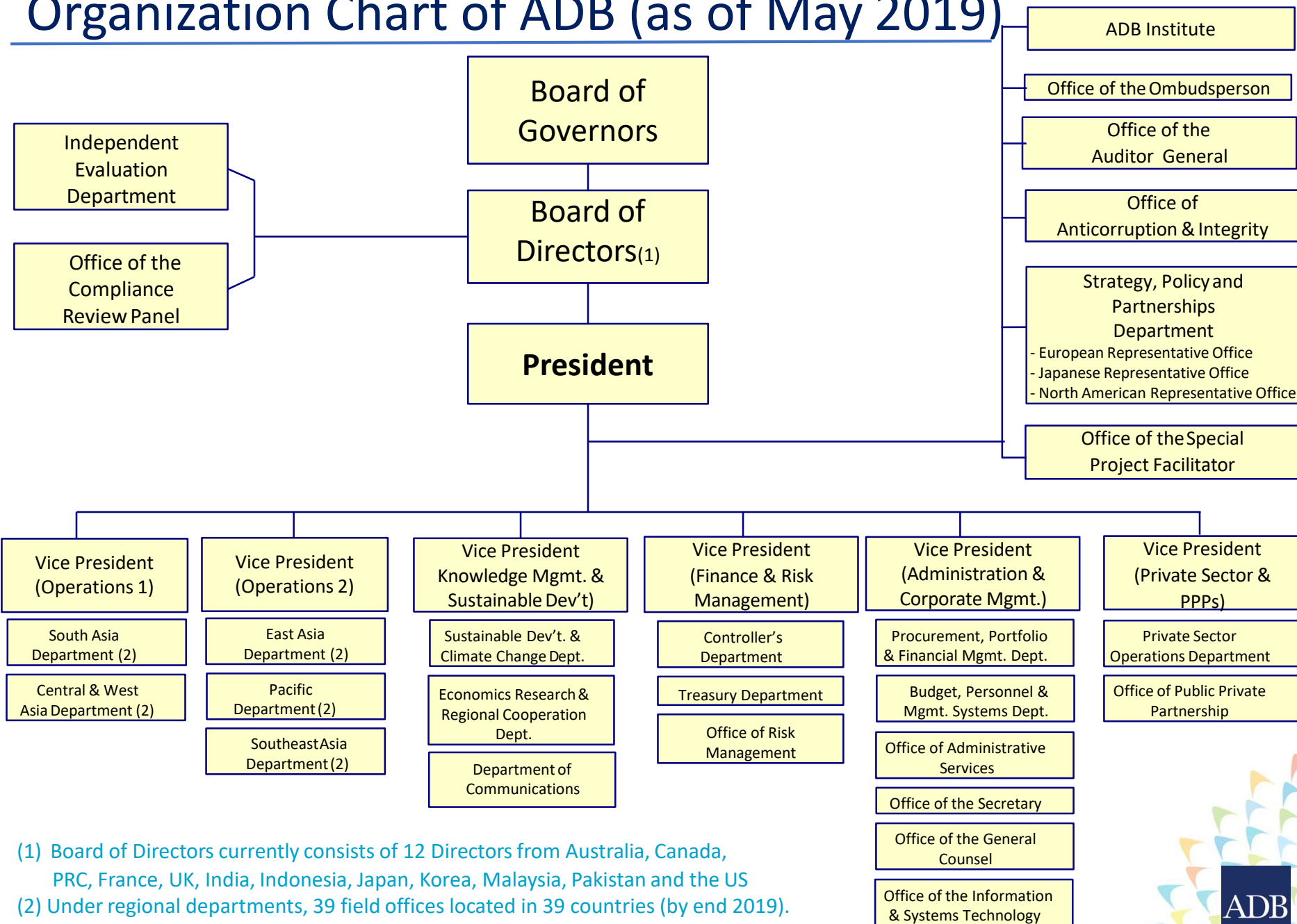


ORGANIZATION



- Board of Governors
- Board of Directors
- President
- Senior Management
- 3,374 employees,
spanning 60 nationalities

Organization Chart of ADB (as of May 2019)



(1) Board of Directors currently consists of 12 Directors from Australia, Canada,

PRC, France, UK, India, Indonesia, Japan, Korea, Malaysia, Pakistan and the US

(2) Under regional departments, 39 field offices located in 39 countries (by end 2019).



ADB's CORE BUSINESS



- Finance
- Knowledge
- Partnerships

ADB Finance

- **Loans** are financed from Ordinary Capital Resources (OCR)
 - Middle-income countries (per capita income \leq \$6,795): regular OCR at quasi market rate
 - Low-income countries (per capita income \leq \$1,145): concessional terms with long maturities and low interest rates
- **Asian Development Fund (ADF) grants** are offered to countries with limited debt repayment capacity, i.e. Afghanistan, Tajikistan, and Pacific island countries
- **Technical assistance** includes capacity building, project preparation, and research/knowledge



Sector and Thematic Groups

Sector Groups	Thematic Groups
<ul style="list-style-type: none">• Education• Energy• Finance Sector Development• Health• Transport• Urban• Water	<ul style="list-style-type: none">• Climate Change and Disaster Risk Management• Environment• Gender Equity• Governance• Public-Private Partnership• Regional Cooperation and Integration• Rural Development and Food Security (Agriculture)• Social Development

* **Digital Technology Unit** as an enabler

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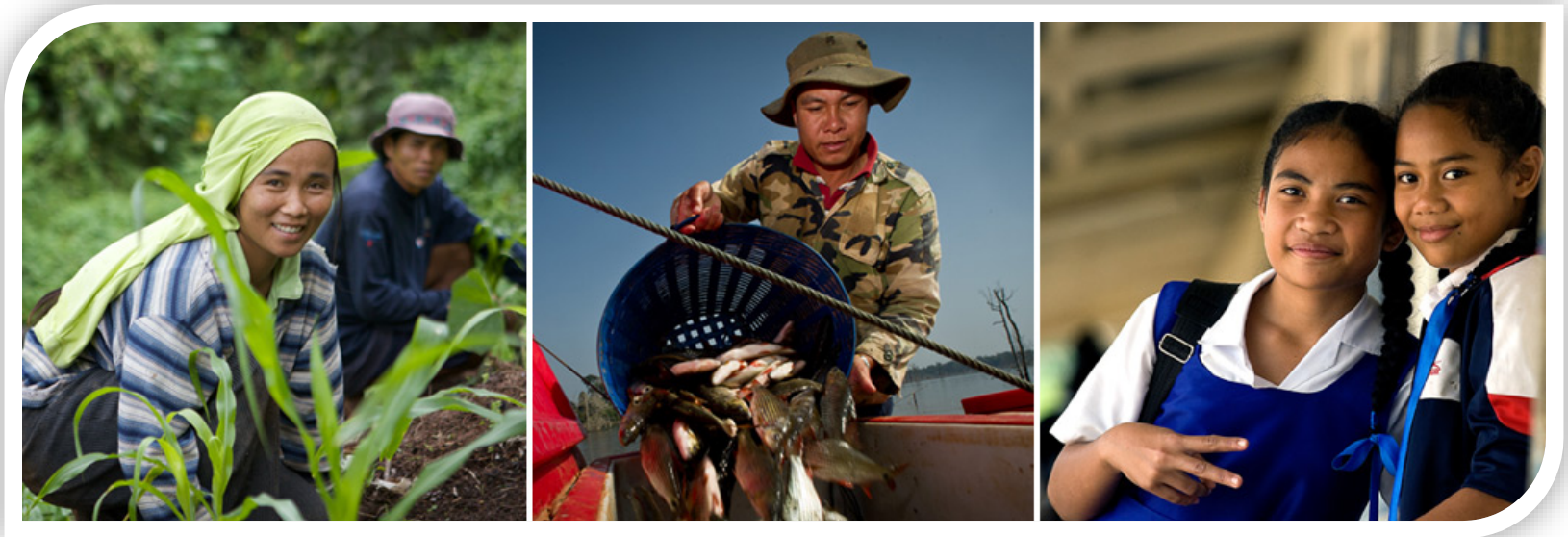
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THE REGION'S POVERTY CHALLENGE

- Around 40% of the world's extreme poor live in Asia and the Pacific
- 326 million live on less than \$1.90 a day

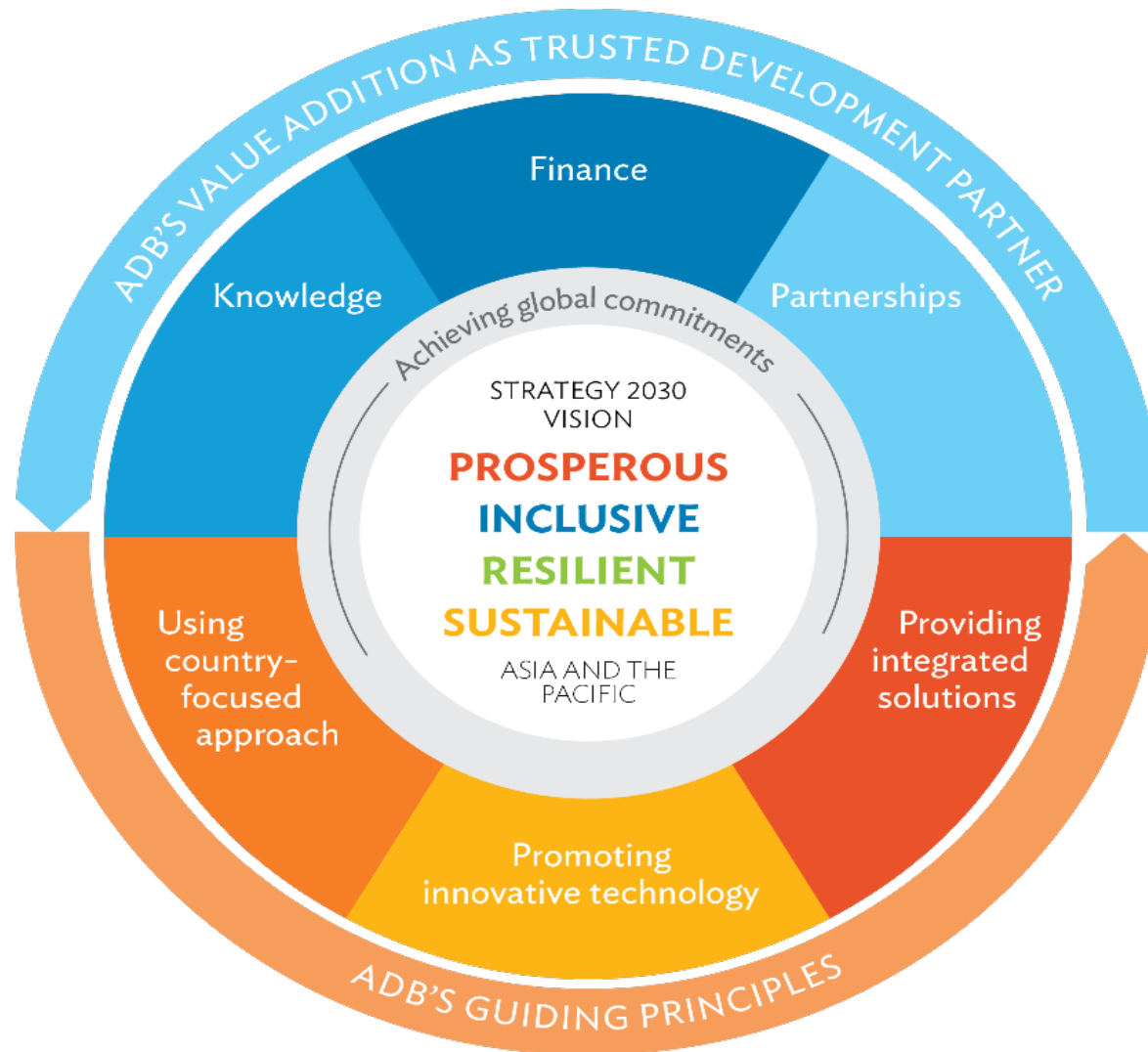


ADB's STRATEGY 2030 VISION



To achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty.

Responds to the Region's Changing Needs



Strategy 2030: Seven Operational Priorities



Addressing remaining poverty and reducing inequalities



Accelerating progress in gender equality

At least 75% of number of ADB committed operations by 2030



Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability

At least 75% of number of ADB committed operations by 2030, total of \$80 billion from ADB's own resources from 2019 to 2030



Making cities more livable



Promoting rural development and food security



Strengthening governance and institutional capacity



Fostering regional cooperation and integration

Key Approaches



Expanding private sector operations

1/3 of number of ADB committed operations by 2024



Catalyzing and mobilizing financial resources for development

\$1 in private sector operations financing matched by \$2.50 of cofinancing



Strengthening knowledge services

STRATEGY 2030

<https://youtu.be/-mYK4sLWQWA>



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ADB's 2018 OPERATIONS

TOTAL OPERATIONS

**\$35.82
BILLION**

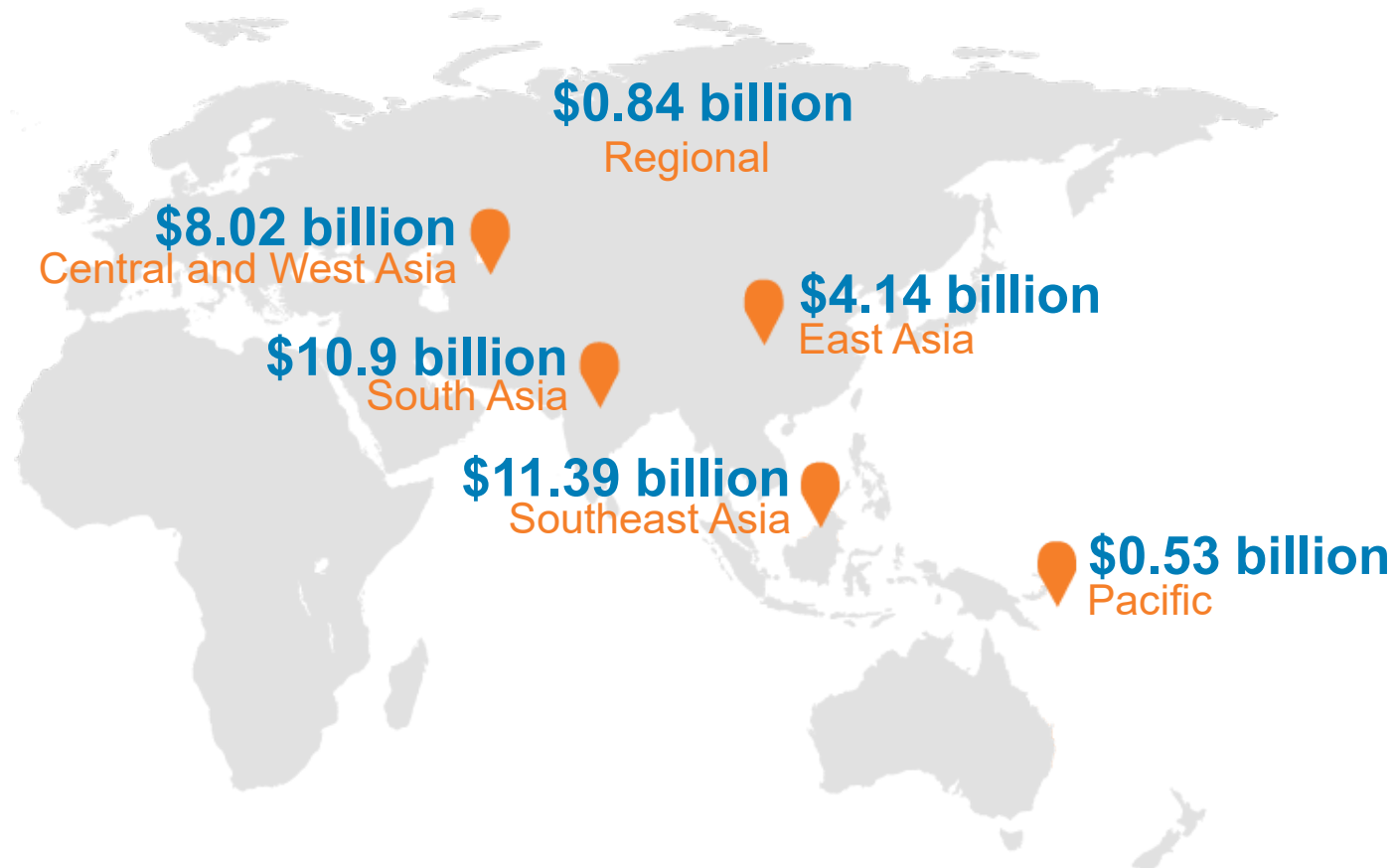


- **\$21.58 billion** in loans and grants and others
- **\$241 million** for technical assistance
- **\$14 billion** from cofinancing partners

ASSISTANCE BY REGION

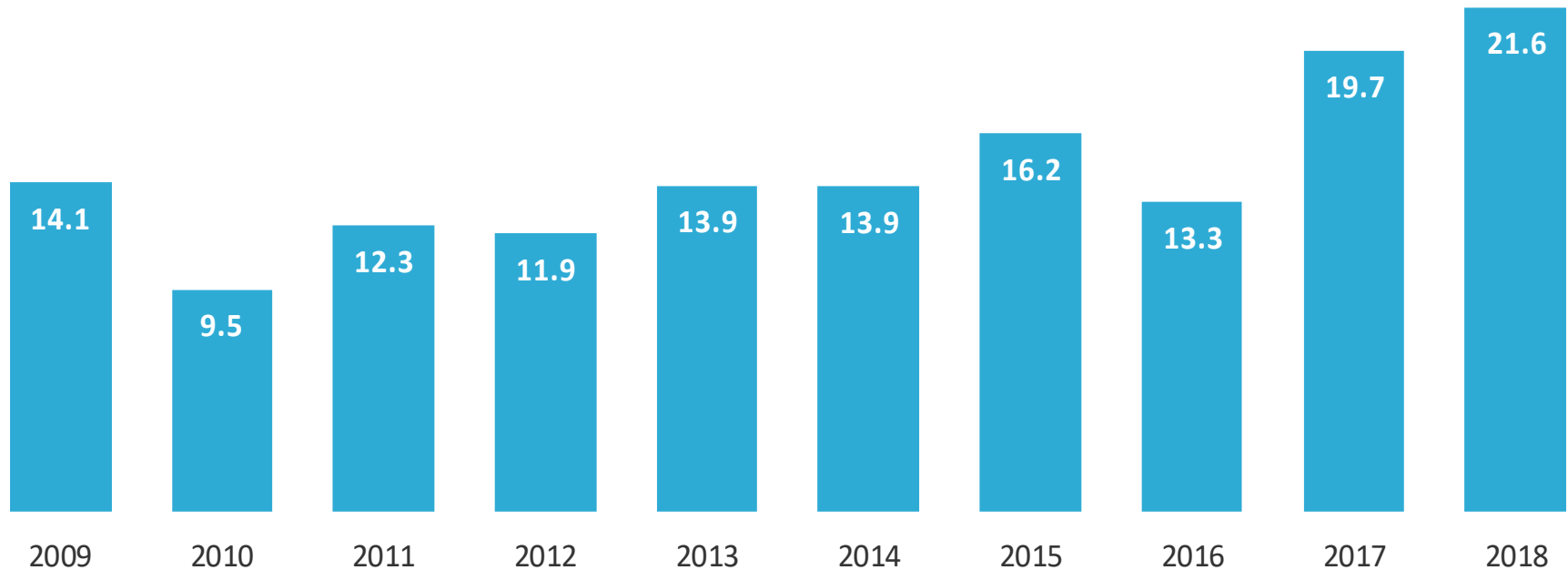
TOTAL OPERATIONS

**\$35.82
BILLION**



Annual Commitments of Loans and Grants

Ordinary Capital Resources (OCR) and Asian Development Fund Operations (ADF)
(\$ billion)



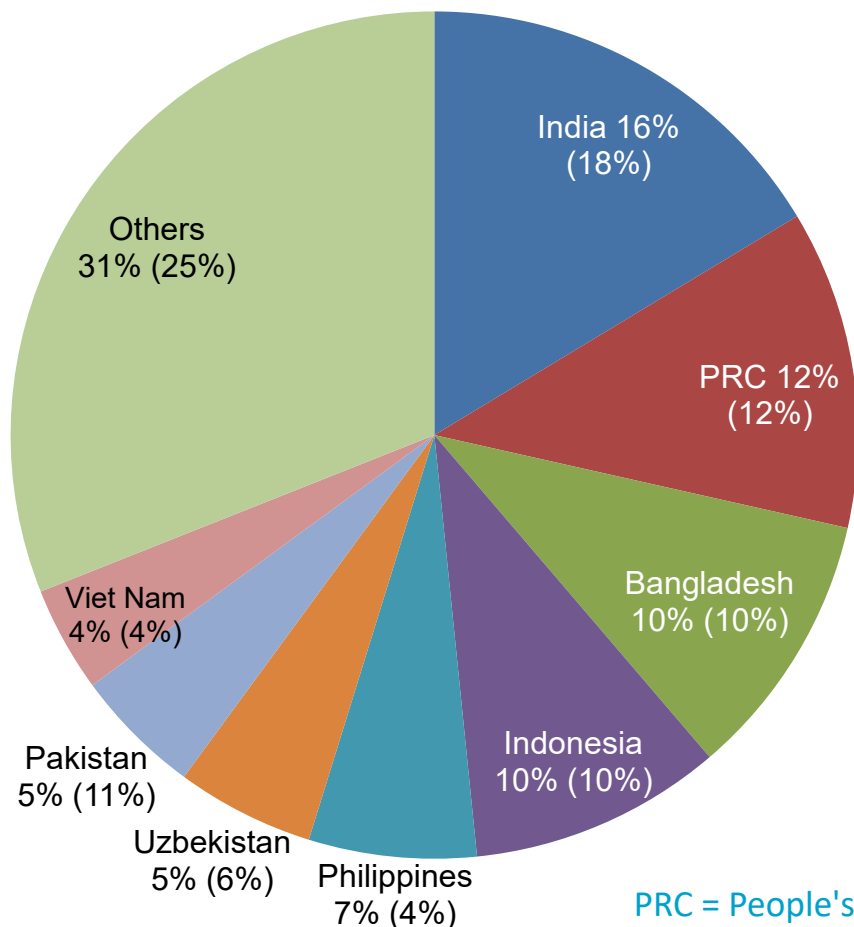
Commitment is the financing approved by ADB's Board of Directors or Management and legal agreement has been signed by the borrower, recipient, or the investee company and ADB. It is the amount indicated in the investment agreement that may or may not be equal to the approved amount, depending on the exchange rate at the time of signing.

ADB Operations in 2018

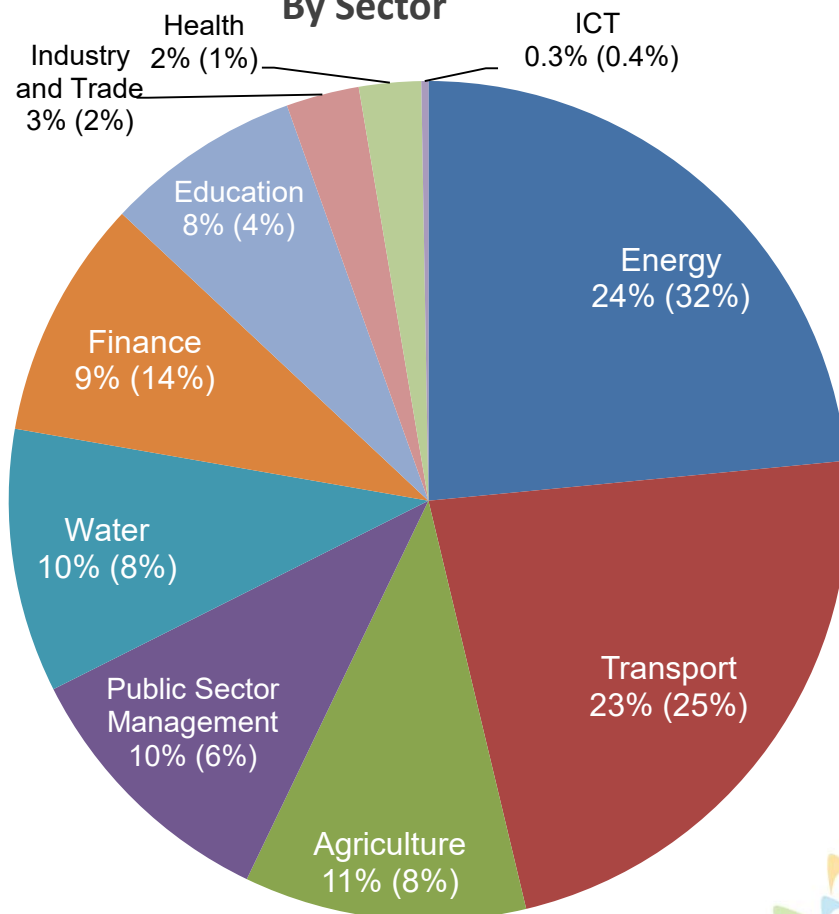
Ordinary Capital Resources (OCR) and Asian Development Fund Operations (ADF)

(commitments in 2018 increased to \$21.6 billion from \$19.7 billion in 2017)

By Country



By Sector



PRC = People's Republic of China.
Bracketed numbers are from 2017.

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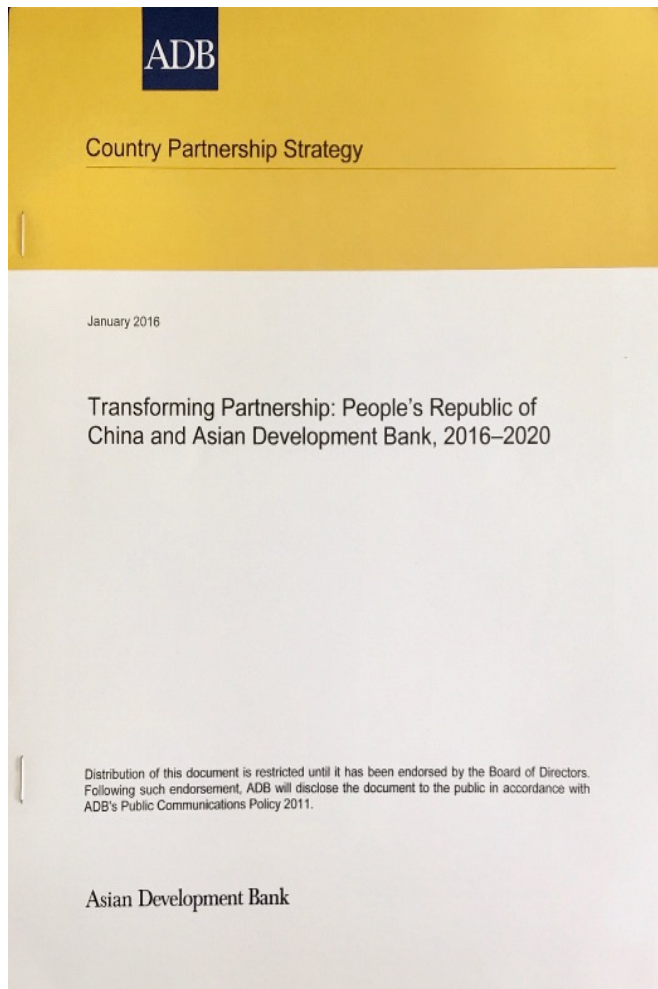
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ADB-PRC PARTNERSHIP



- 1986 – PRC Became ADB Member
- 2000 – Opening of PRC Resident Mission
- Cumulative public sector lending till end 2017 is \$34.84 billion (2nd largest borrower)
- 2005 – PRC Became ADF donor. Also established PRC Fund for Poverty Reduction and Regional Cooperation

The CPS and 5 COBPs



2016-2020: Five Strategic Priorities



Managing climate change and the environment



Promoting regional cooperation and integration



Supporting inclusive economic growth

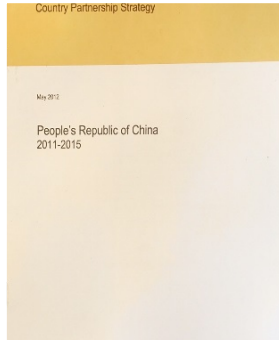


Fostering knowledge cooperation

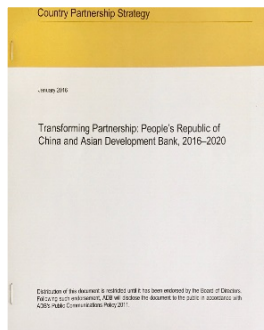


Supporting institutional and governance reform

The CPS Cycle



2011-2015 CPS

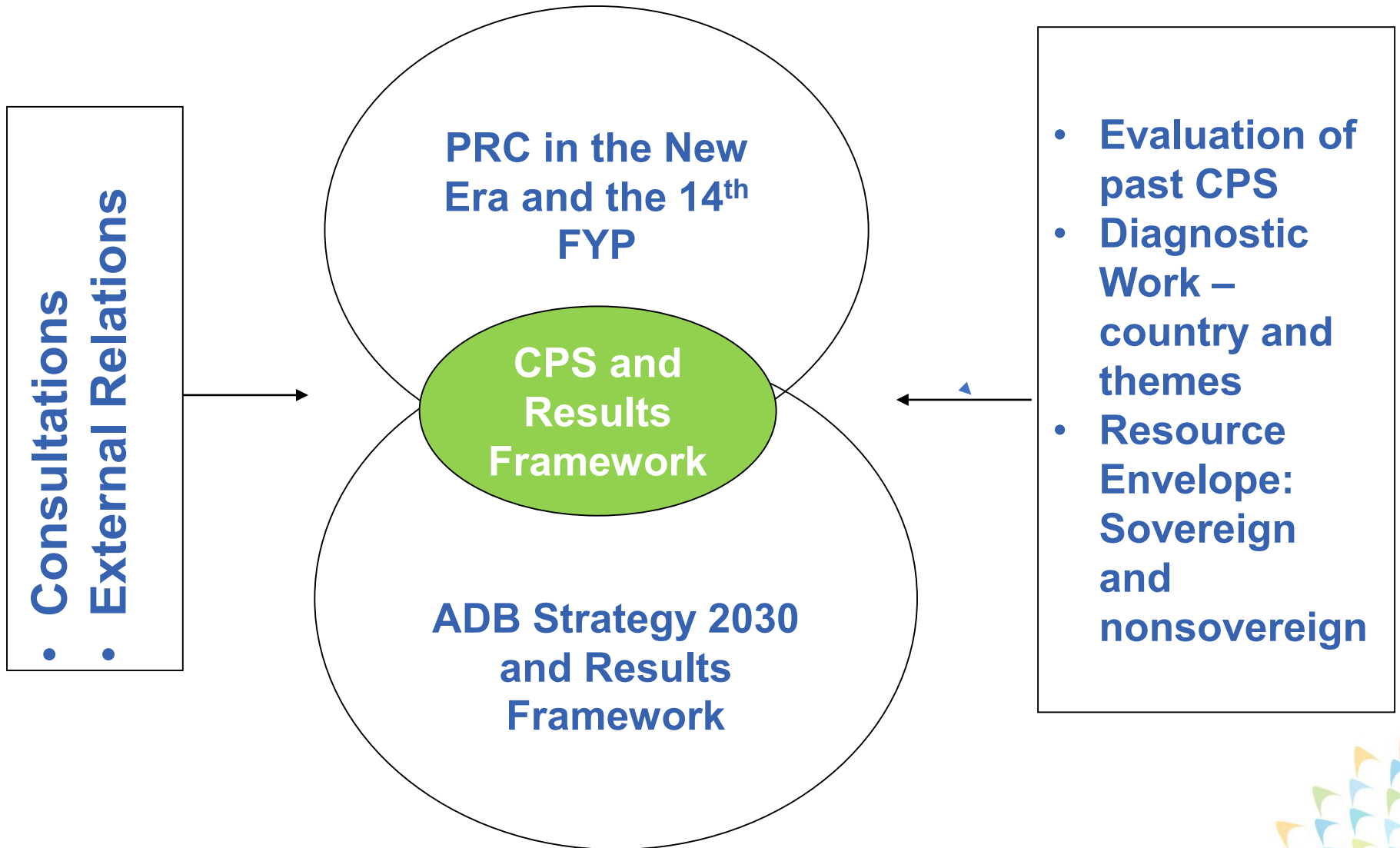


2016-2020 CPS

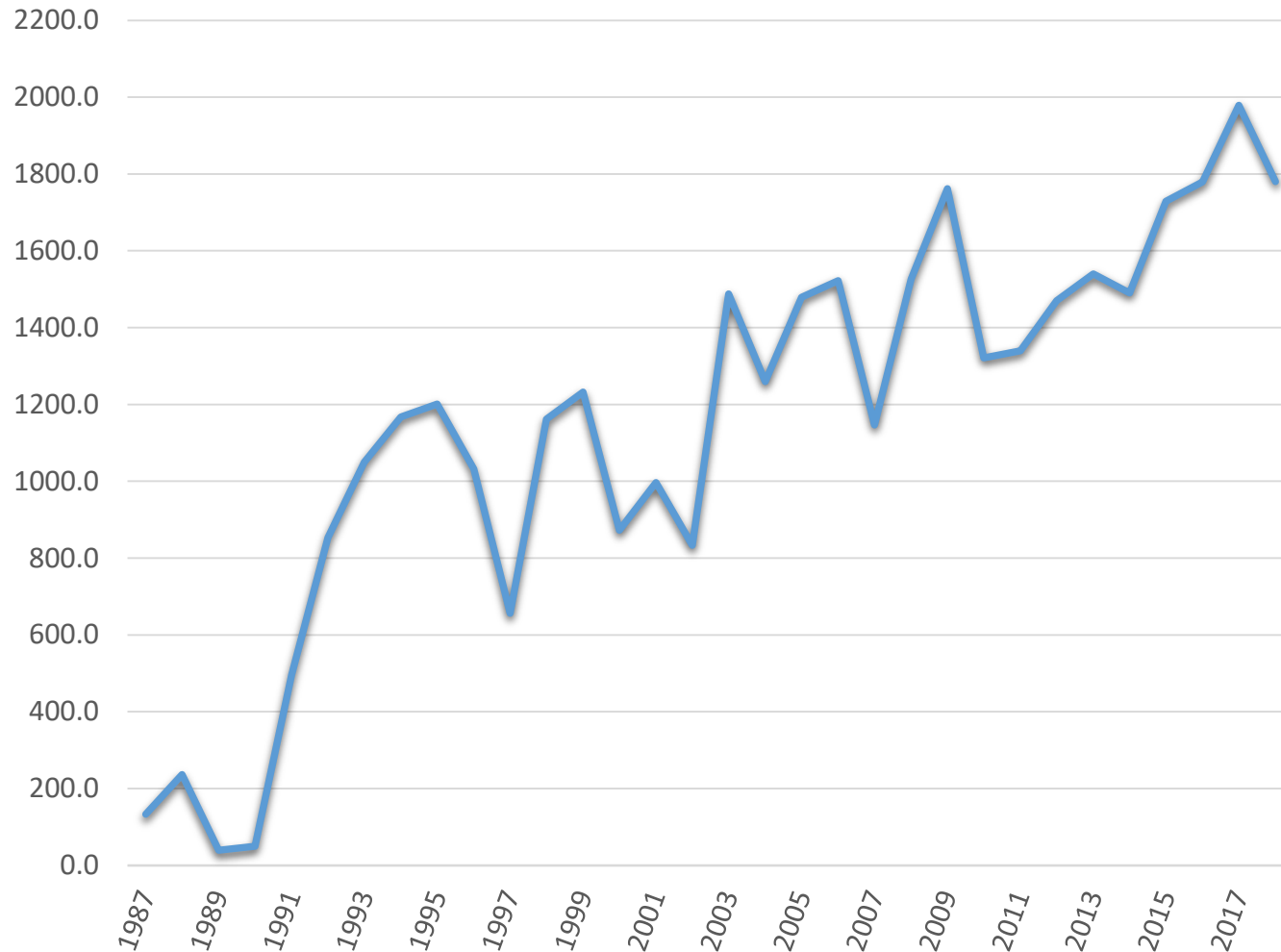


2021-2025 CPS

The Framework

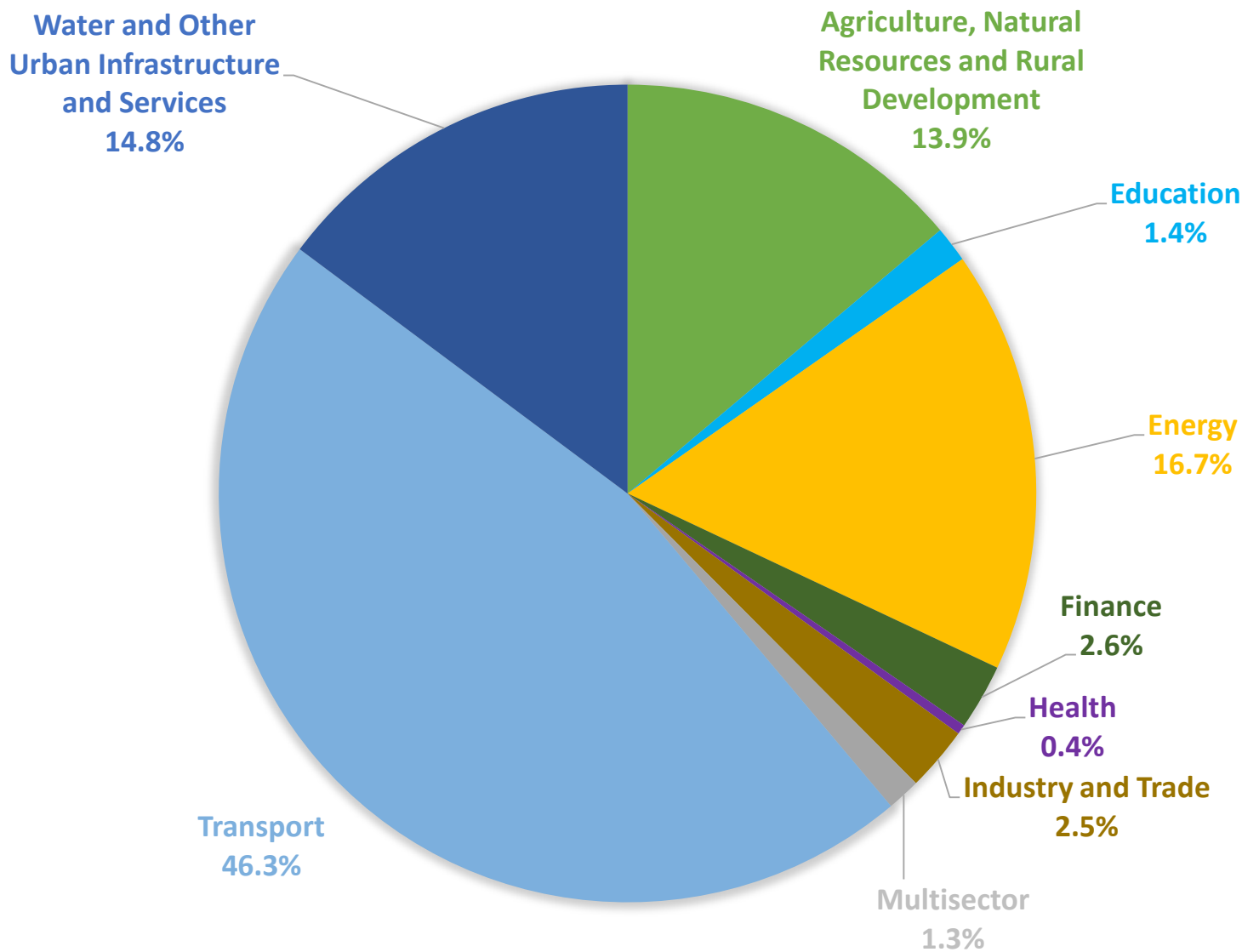


ANNUAL LOANS APPROVED IN PRC (1986-2017)

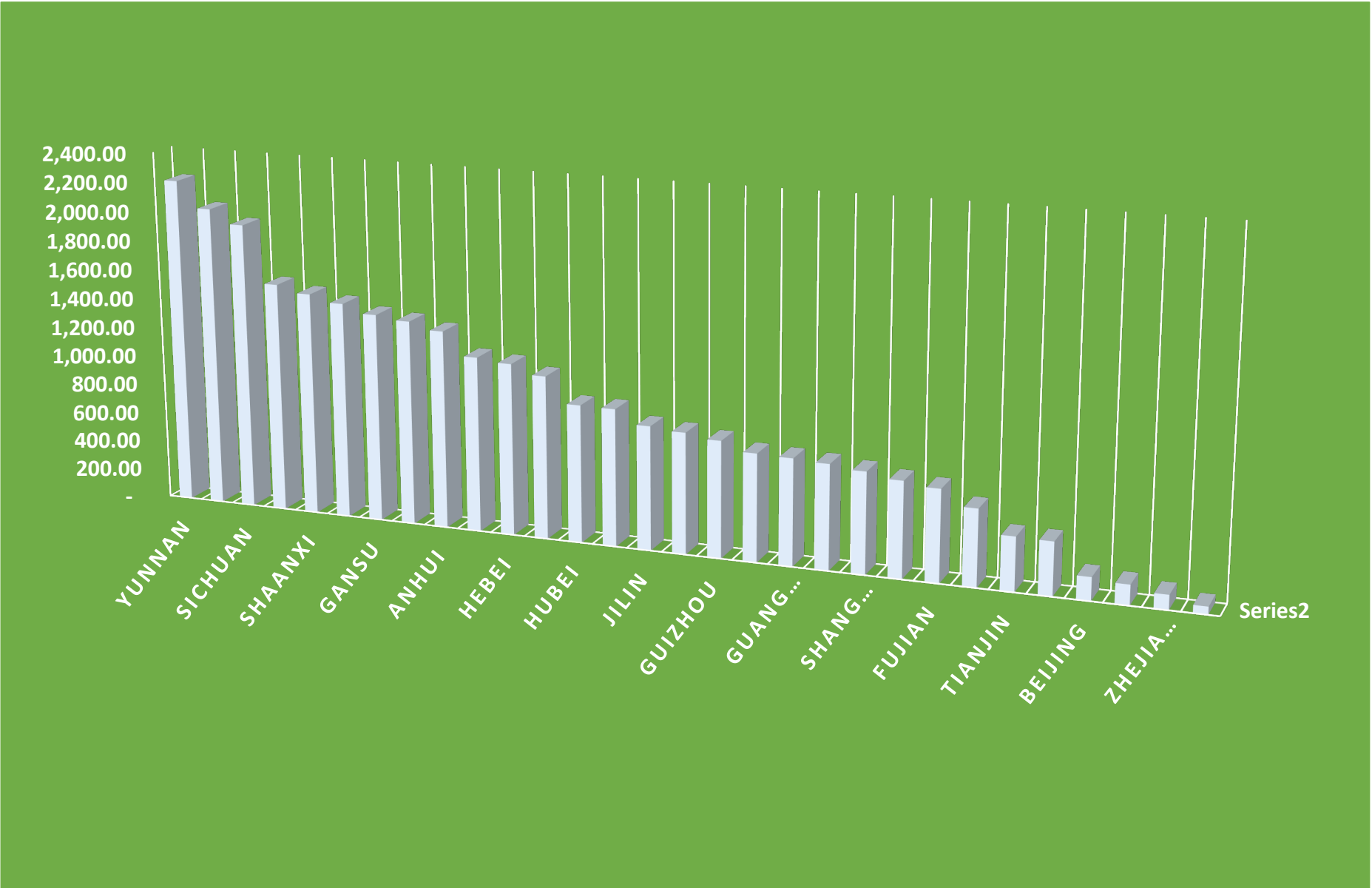


Year	Nos.	Amount
1987	2	133.3
1988	4	236.4
1989	1	39.7
1990	1	50.0
1991	6	496.3
1992	8	853.0
1993	8	1050.0
1994	8	1167.0
1995	10	1201.0
1996	11	1032.0
1997	5	656.0
1998	7	1162.0
1999	7	1232.0
2000	6	872.3
2001	6	997.0
2002	6	833.5
2003	7	1488.0
2004	7	1259.9
2005	7	1478.8
2006	10	1522.0
2007	8	1146.7
2008	13	1526.0
2009	12	1762.1
2010	11	1320.9
2011	12	1339.8
2012	11	1470.0
2013	12	1540.0
2014	11	1490.0
2015	12	1729.0
2016	12	1779.6
2017	10	1979.0
2018	8	1779.9
Total	259	36623.2

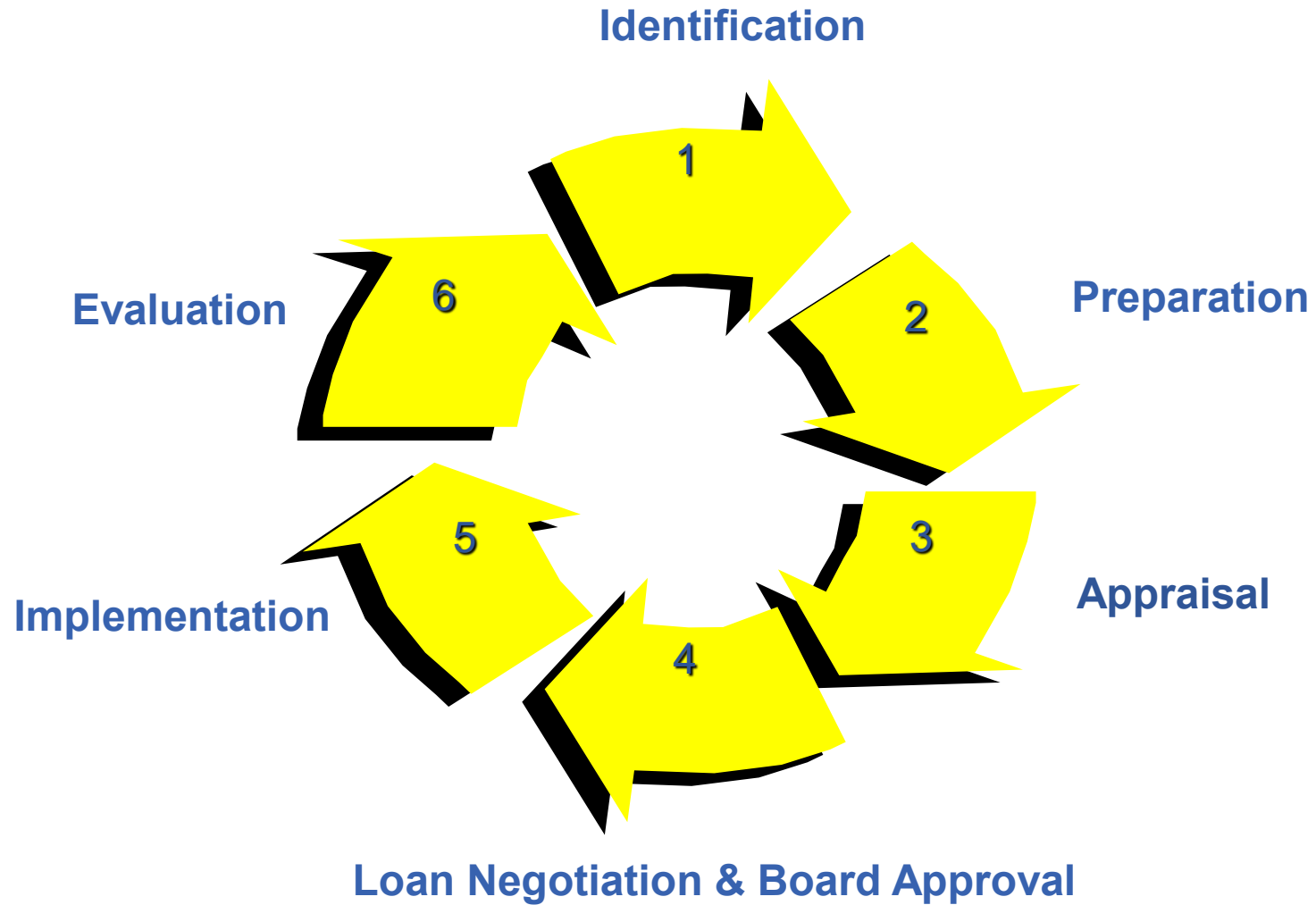
LOAN COMMITMENTS BY SECTOR (1986-2018)



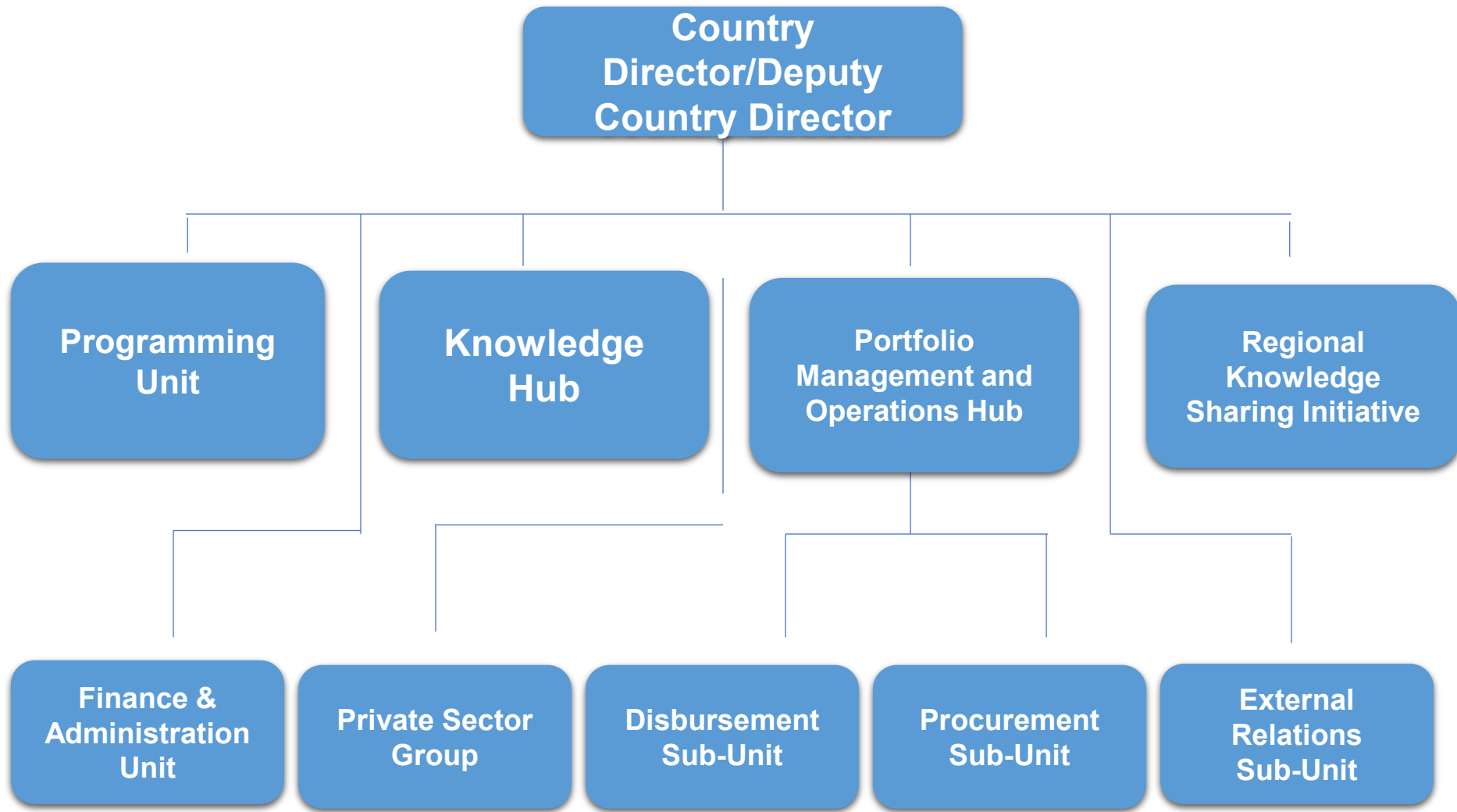
APPROVED LOAN AMOUNT BY PROVINCE (1986-2018)

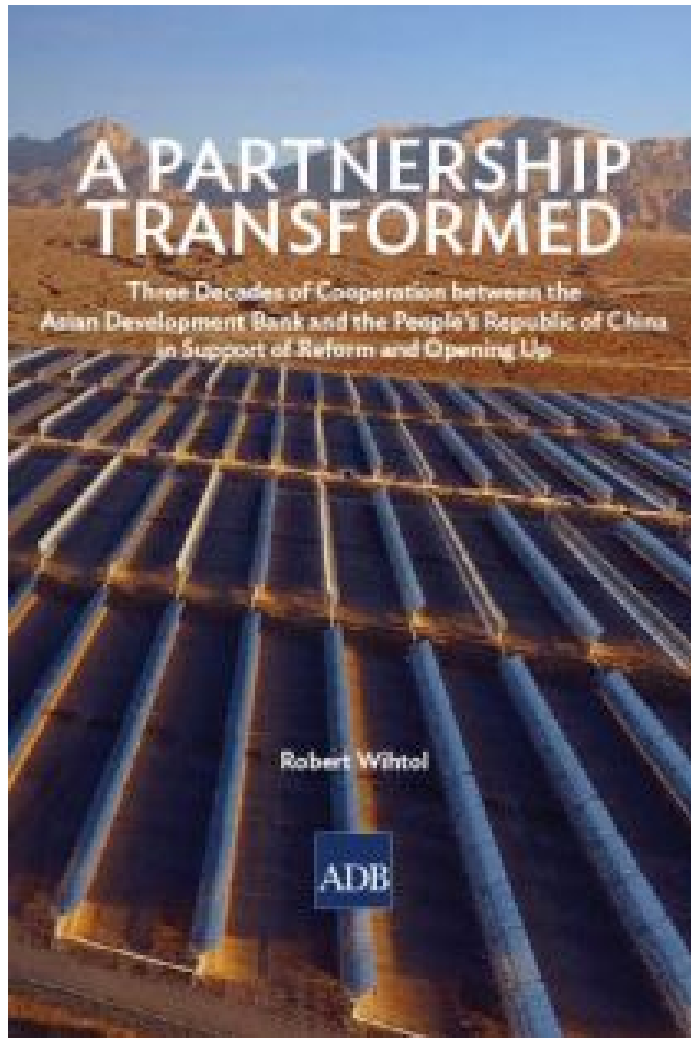


PROJECT CYCLE



ADB OFFICE IN BEIJING: PRC RESIDENT MISSION





History Book on 30-Year ADB-PRC Partnership

Download the e-book:

<https://www.adb.org/publications/adb-prc-partnership-transformed>



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