

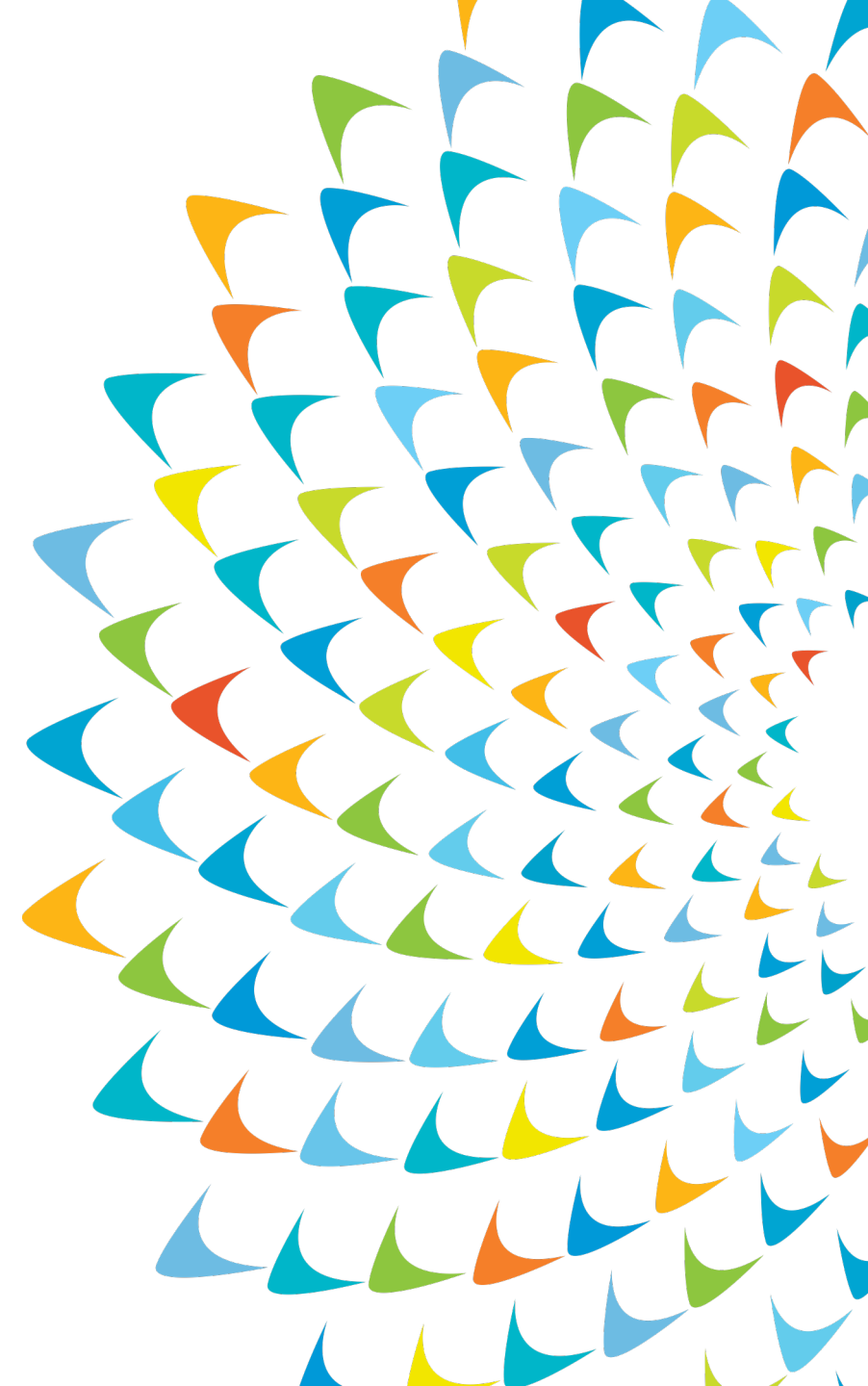
Integrated approach to agriculture infrastructure development in the PRC for sustainable and resilient agriculture

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Evolution of Agriculture and Rural Development Policy in PRC

Objective:

Increase food production and grain self-sufficiency

Instruments:

- Household responsibility system
- Investment in basic agriculture production infrastructure
- Land tax

Late 1970s –
Mid 1990s

Objective:

- Increase farm income
- Competitiveness of agriculture
- Quality and safety of agricultural products

Instruments:

- Abolishment of agricultural taxation
- Price based and direct subsidy to boost production
- Farm mechanization
- Development of co-operatives

Late 1990s –
Late 2000s

Objective:

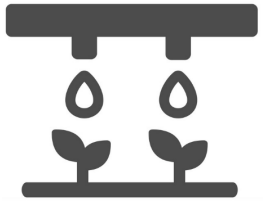
- Sustainable development of agriculture
- Improvement of economic, social and environmental welfare in rural area

Instruments:

- Moderate food import
- Investment in R&D
- Partnership with service industries such as ICT
- Investment in rural environmental infrastructure

2010 -
present

Integrated investment in agriculture contributed to food security and rural livelihood in the PRC



Agriculture production and value chain investment

- Irrigation, drainage
- Farm machine
- Storage and warehouse



On-farm productivity growth and linking farmers to markets



Network investment

- Highways and rural roads
- Internet connectivity



Integration of rural and urban areas



Environmental investments

- Solid waste management
- Wastewater treatment
- Non-point source pollution control



Improvement of rural livelihood



Institutional investment

- Cooperatives
- Financial institutions
- R&D
- Training and extension services



Linking small farmers to services

Sustainable natural resource management and climate resilience is key to ensure long-term food security in the PRC



■ Water and natural resources management, ecosystem and biodiversity conservation

- More productive water use for agriculture
- Agricultural non-point source pollution control
- Regenerative farming practices



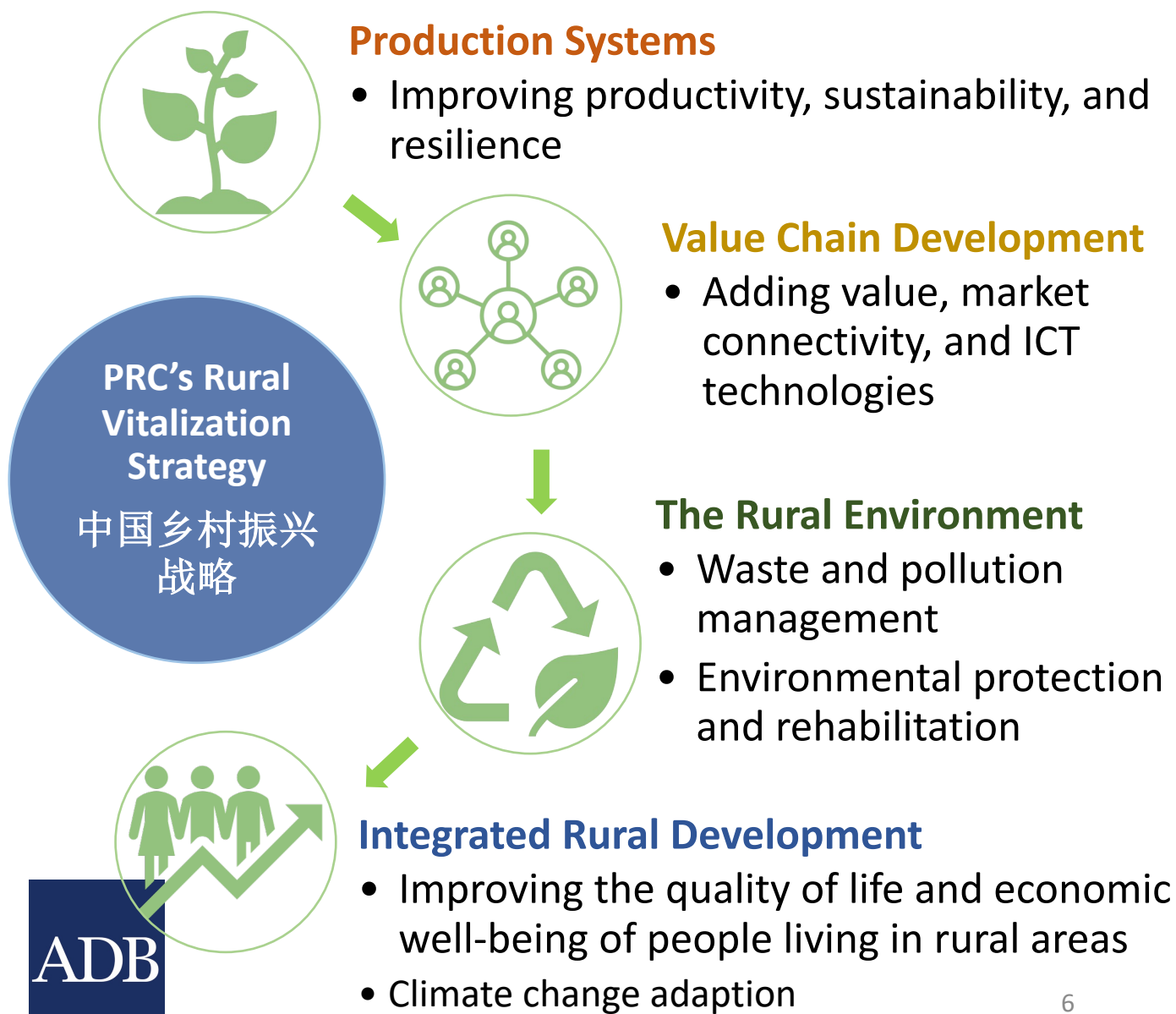
■ Climate change mitigation and adaptation

- Strengthening climate resilience and risk management frameworks – new National Strategy for Climate Change Adaptation 2035 (ADB supported)
- Mitigation through improved land management (carbon sequestration) and reduced GHG emissions through improved agricultural practices

PRC Country Partnership Strategy, 2021-2025



ADB's support to Rural Vitalization Strategy



MOU between ADB and NDRC/MOF to support PRC's Rural Vitalization Strategy

Signed	29 August 2018
Indicative budget	\$6.0 billion from ADB, PRC and development partners
Form of intervention	Financial assistance and knowledge contribution
Preferred interventions	Catalytic, innovative, and adoption of high-level technologies

MOU between ADB and the Agricultural Development Bank of China

Signed	26 August 2021
Form of intervention	Rural infrastructure, environmental improvement and agribusiness value chains development
Preferred interventions	Knowledge solutions and co-financing of high-quality, innovative green agricultural and rural vitalization projects

Key Principles of ADB's Support



Institutional Strengthening

- Improved governance and institutions
- Policy reforms and incentive mechanisms
- Cooperation frameworks and enabling environments
- Multi-stakeholder engagement platforms



Innovation and Progressive Approaches

- High-level Technology – big data, digital platforms, mobile applications
- Integrated solutions vertically and horizontally
- Project pilots applying innovative solutions
- Catalyze change at scale
- Gender mainstreaming

Key Principles of ADB's Support



Knowledge Management

- High-quality knowledge generation and dissemination
- Capacity building
- Regional cooperation
- Strategic partnerships
- Focus on south-to-south knowledge sharing



Enhancing Private Sector Solutions and Innovative Financing

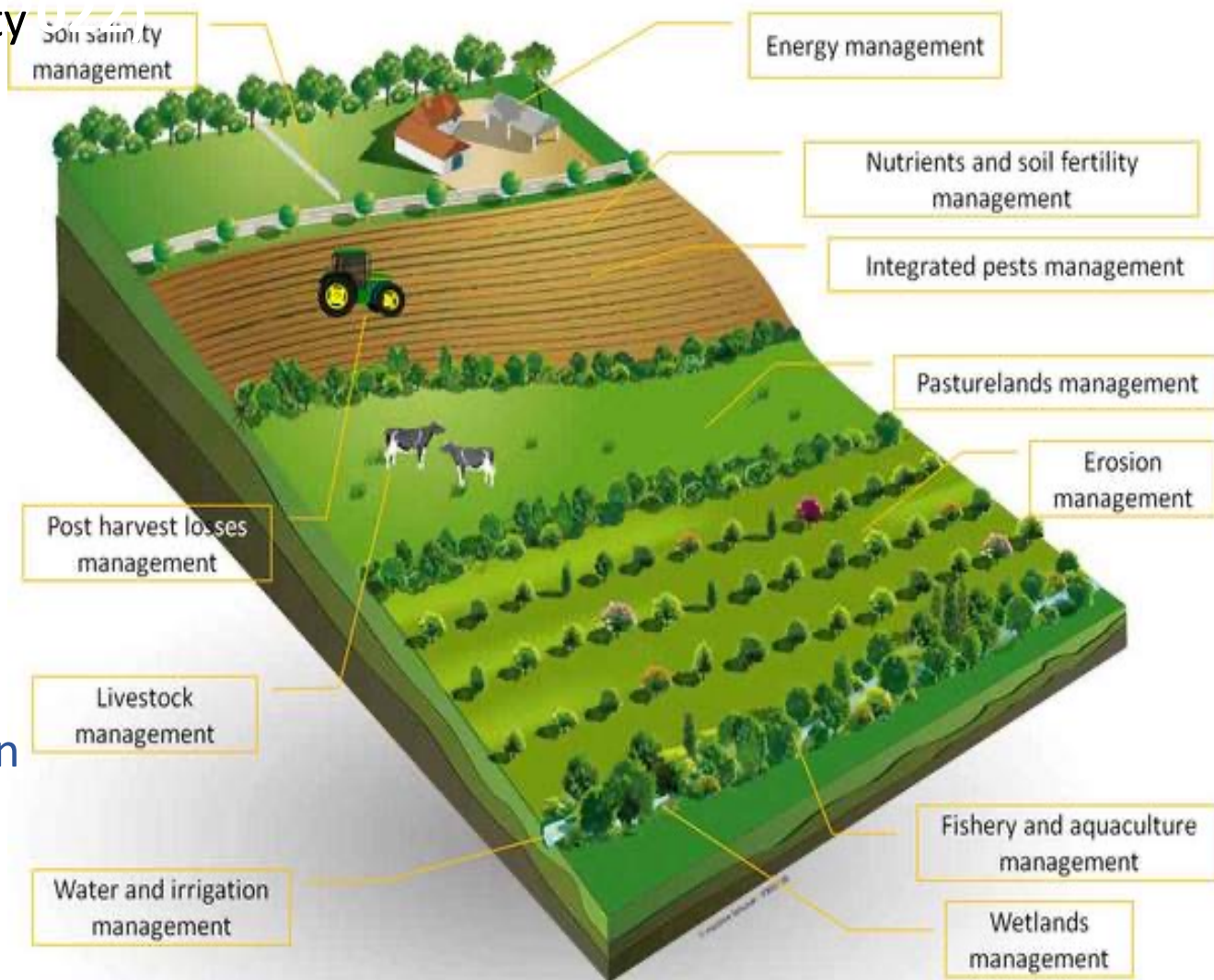
- Improving regulatory frameworks to incentivize private sector engagement
- Catalyzing investment in funds to accelerate investment in sustainable and resilient agriculture
- FIs to support SME access to credit
- Close collaboration with PSOD on project development

Evolution of MARA-ADB agriculture development projects

	Comprehensive Agricultural Development Project	Yangtze River Green Ecological Corridor Comprehensive Agriculture Development Project	Yellow River Basin Green Farmland and High-Quality Agriculture Development Project
Period	2013-2018	2019-2024	2022-2028
Outcome	Increased agricultural productivity	Sustainability and modernity of agricultural production systems	Sustainability of green agricultural production systems
Output	<ol style="list-style-type: none"> Improved irrigation and drainage infrastructure Improved agricultural support Improved project management 	<ol style="list-style-type: none"> Modern farming systems constructed Waste and environmental management systems strengthened Institutional, technical, and management capacity and coordination strengthened 	<ol style="list-style-type: none"> Institutional, technical and management capacity and coordination strengthened Green and climate resilient agricultural production bases constructed Agricultural value chains strengthened
Location	Food surplus region (Anhui, Heilongjiang, Henan, Jilin, Yunnan and Ningxia)	Upper and middle reaches of Yangtze River Basin (Guizhou, Hubei, Hunan, Sichuan, and Yunnan, and Chongqing)	Yellow River Basin (Qinghai, Sichuan, Gansu, Shaanxi, Shanxi, Henan, Shandong and Ningxia)
Modality	Project lending- \$200 million (ADB) and \$154 million (Local government+)	Project lending- \$300 million (ADB) and \$206 million (Local government+)	Sector lending -\$157 million (ADB) and \$199 million (Local government+)

Yellow River Basin Green Farmland and High-Quality Agriculture Development Project

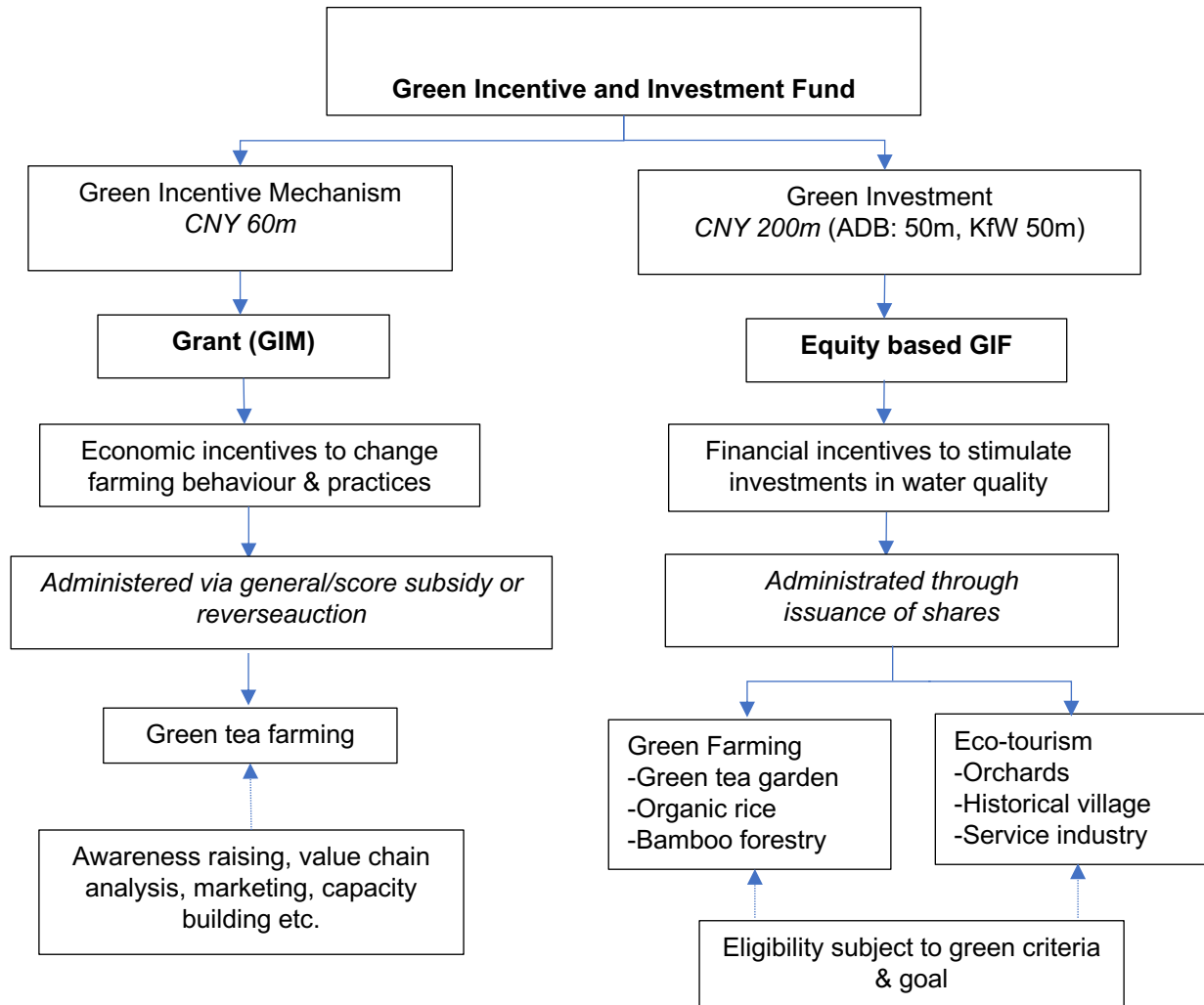
- **Impact:** Resilient ecological protection and security in the Yellow River basin achieved
- **Outcome:** Sustainability of green agricultural production systems improved
- **Sites:** Six provinces (Qinghai, Sichuan, Gansu, Shaanxi, Shanxi, Henan, and Shandong) and one autonomous regions (Ningxia)
- **Cost:** The total project is estimated to cost \$356 million with \$157 million ADB financing.
- The project builds on the lessons from earlier agricultural development projects focused on financing agriculture infrastructure to a **production system, and value chain approach** balancing the importance of agriculture, value addition and the environment.



ADB's Innovative Green Finance Mechanism

Anhui Huangshan Xin'an River Ecological Protection and Green Development Project in the PRC

- Cross-Provincial Eco-compensation Fund: financed from the compensation payments Huangshan Government received from the Xin'an River Eco-compensation Scheme between Anhui and Zhejiang provinces.
- Huangshan Tea Farmer Green Incentive Mechanism: engages farmers to adopt environmentally sustainable farming practices through an innovative results-based incentive scheme.



Next Steps

- Mainstreaming sustainable natural resource management and climate resilience climate change in all the ADB's lending and non-lending operations in ANR sector
 - Programmatic approach to Yellow River Ecological Corridor (YREC)
 - Developing integrated solutions (e.g., bio-circular economy model)
 - Green financing and partnership with private sector
 - Policy and institutional reform
- Facilitating South-south knowledge sharing on the PRC's experience of integrated model of agriculture infrastructure investment through various platforms (CAREC, GMS and RCSI)





Thank you

