

ADB to back more projects in China

Innovation elements key to lender's plans to invest \$6.17 billion

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The Asian Development Bank (ADB) is planning to invest in 31 projects in China from 2018 to 2020 for a total value of \$6.17 billion, with about \$2 billion planned for 2018, according to its newly proposed sovereign-lending program.

"ADB aims to increase its sovereign lending to China in line with the expansion of the bank's total lending capacity. The 2017 sovereign lending will reach \$1.98 billion," said Indu Bhushan, director-general of ADB's East Asia Department.

The international development finance institution headquartered in Manila, the Philippines, is currently financing 90 ongoing projects in China amounting to \$12.3 billion. In the last two years, ADB approved new projects worth more than \$1.7

billion annually in China.

Recently, its support has been moving from infrastructure-oriented projects to environmental and social sector support, thus improving the quality of growth. All new projects in China will have innovation elements, according to the bank.

It also put great emphasis on knowledge solutions, which are regarded as powerful catalysts for propelling development in China. The creation, management and sharing of knowledge is an important pillar of ADB's operations in the country.

From the time China joined ADB in 1986 through Sept 30, the financial institution has approved a total of \$37.7 billion in loans to China. This comprised \$33.9 billion for sovereign operations and \$3.9 billion for private sector operations.

Half of the total assistance was

for the transport sector, 16 percent for the energy sector, 15 percent for water and other urban infrastructure and services, and 13 percent for agriculture, natural resources and rural development.

In 2017, the bank's private sector operations department financed seven projects worth \$790 million in total, excluding loans offered by commercial banks based on the premise that ADB provided credit guarantees.

In the coming years, as requested by China's Ministry of Finance, the bank aims to expand private sector and non-sovereign operations, with a focus on inclusive environmental projects in infrastructure, agribusiness and financial institutions, reflecting China's greater role in promoting environmentally sustainable development.

"We have been looking into public-private partnership opportunities



Takehiko Nakao (second from right), president of the Asian Development Bank, meets beneficiaries of the grant-financed Turpan Women's Ethnic Minority Cultural Tourism Development Project, in Turpan, Northwest China's Xinjiang Uygur autonomous region, on Sept 6. DENG JIA / FOR CHINA DAILY

with new concession scope, such as water, energy and food security nexus, cross-jurisdiction along the Belt and Road Initiative," Bhushan said, referring to the China-led drive to revive ancient trade routes spanning Asia, Africa and Europe.

ADB's country partnership strategy for China, covering 2016-20, will help the country in major areas of investment, such as managing climate change and the environment,

supporting inclusive growth and promoting regional cooperation and integration.

The bank will also collaborate closely with the Belt and Road Initiative and other development partners, including the Asian Infrastructure Investment Bank and the New Development Bank, to promote regional connectivity, trade and investment, and regional public goods.



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