



国家开发银行  
CHINA DEVELOPMENT BANK



Global Compact  
**LEAD**  
PARTICIPANT



DEVELOPMENT FINANCE  
FOR THE BELT AND ROAD  
**SUSTAINABILITY REPORT**

# Preamble

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The right path takes one far; openness like that of an ocean helps to pool resources. Chinese President Xi Jinping called for building a Silk Road Economic Belt and a 21st Century Maritime Silk Road in the autumn of 2013. As he put it, the initiative is proposed by China, but its opportunities and benefits are for the whole world to share. Today, after five years of hard work, the BRI has become an important tool to realize the vision of building a community with a shared future for mankind. It generates sustained power for world economic growth and inclusive, balanced development.

In these five years, CDB, guided by the Silk Road spirit of peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit and the philosophy of innovative, coordinated, green, open and shared development, has closely followed the principle of consultation and collaboration for shared benefits in helping to shape a community of shared interests, responsibilities and future under the initiative.

**Development finance for high quality development under the BRI.** As a development finance institution, we conduct our business by following market rules and pursuing modest profit while ensuring safety of the principal. Supporting development and managing risks are deemed as equally important. With this in mind, we have been successful in meeting the medium and long-term financing needs for economic and social development. With our eyes set on key areas such as infrastructure connectivity, production capacity cooperation, and financial cooperation, we contribute our share to the high quality development of the BRI.

**Diversified financial cooperation platforms for inclusive growth under the BRI.** We take the initiative in creating six interbank associations/cooperation mechanism, make joint efforts with partners to build bilateral and multilateral financial cooperation platforms, and draw from a toolbox of syndicated loans, co-financing, and interbank credit lines. This network of diversified financing arrangements, both direct and indirect, pools funding from various resources for the BRI. We pursue financing cooperation with multilateral development finance institutions and European and American financial institutions on third-party markets through innovative financing transaction structures and risk-sharing mechanisms to leverage the strengths of various parties to break the financing bottlenecks of the host country for its open and inclusive growth.

**A focus on the UN agenda in the pursuit of sustainable development under the BRI.** Aligning our operations with the UN 2030 Agenda for Sustainable Development, we endeavour to deliver its 17 goals and share the fruits of development with people in our partner countries. A champion of green finance, we channel private sector funds to energy-saving, environment protection and clean energy, and help partner countries transform and upgrade their industries and pursue green, sustainable development. We finance the construction of industrial parks to create jobs and reduce poverty. We work on education, healthcare and other livelihood projects to improve the living conditions and well-being of the local communities.

Looking ahead, CDB is ready to better play its part as a development finance institution in delivering shared development goals and supporting the sustained economic and social progress in BRI partner countries. We will make dedicated efforts for the BRI to produce deeper, stronger impacts, bring about high quality development, and embrace a brighter future.



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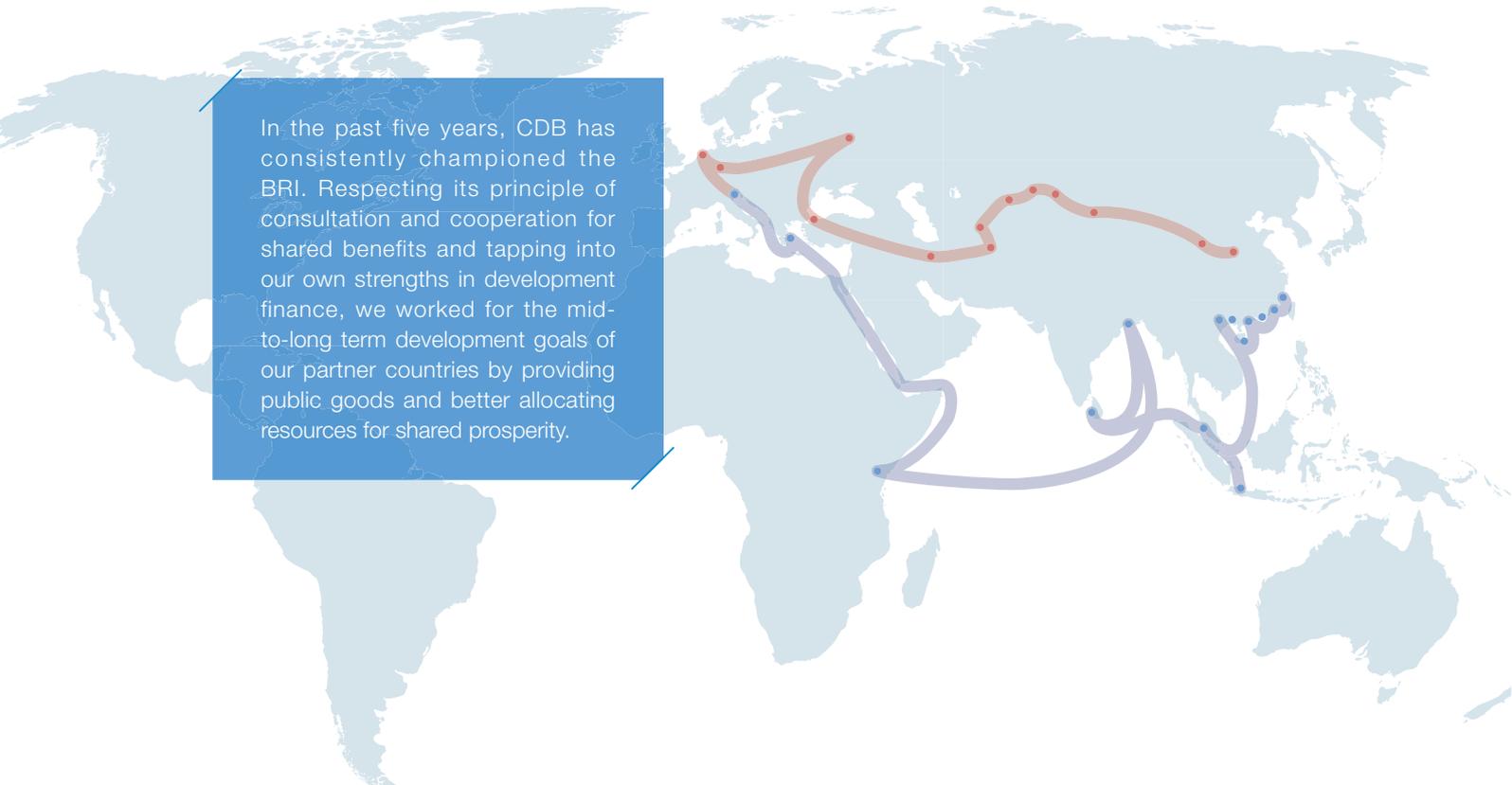
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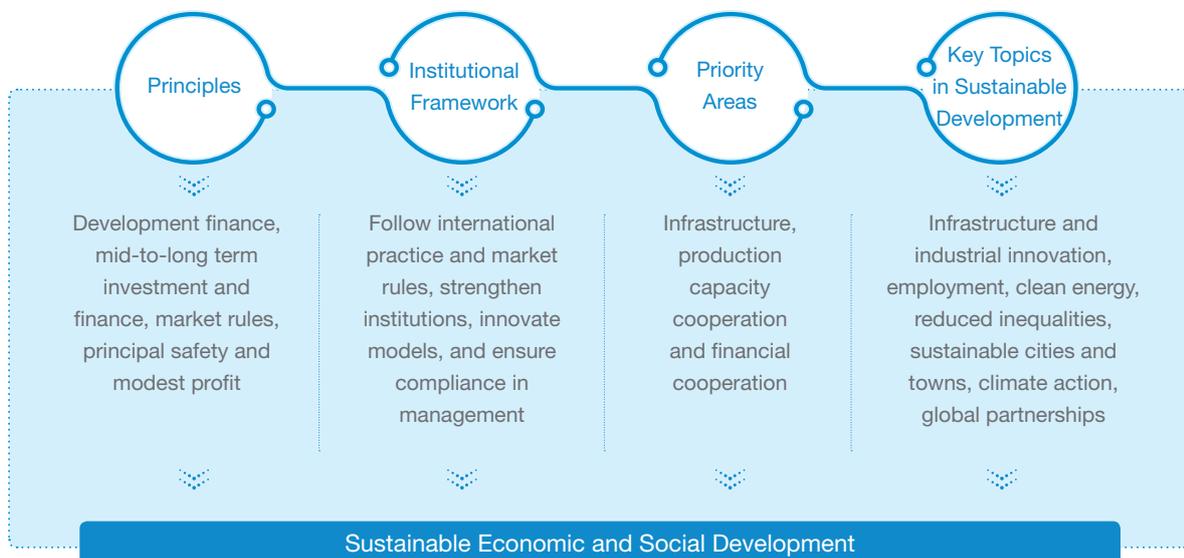
# The Belt and Road Initiative: Five Years in Review

## A New Beginning of Development Finance

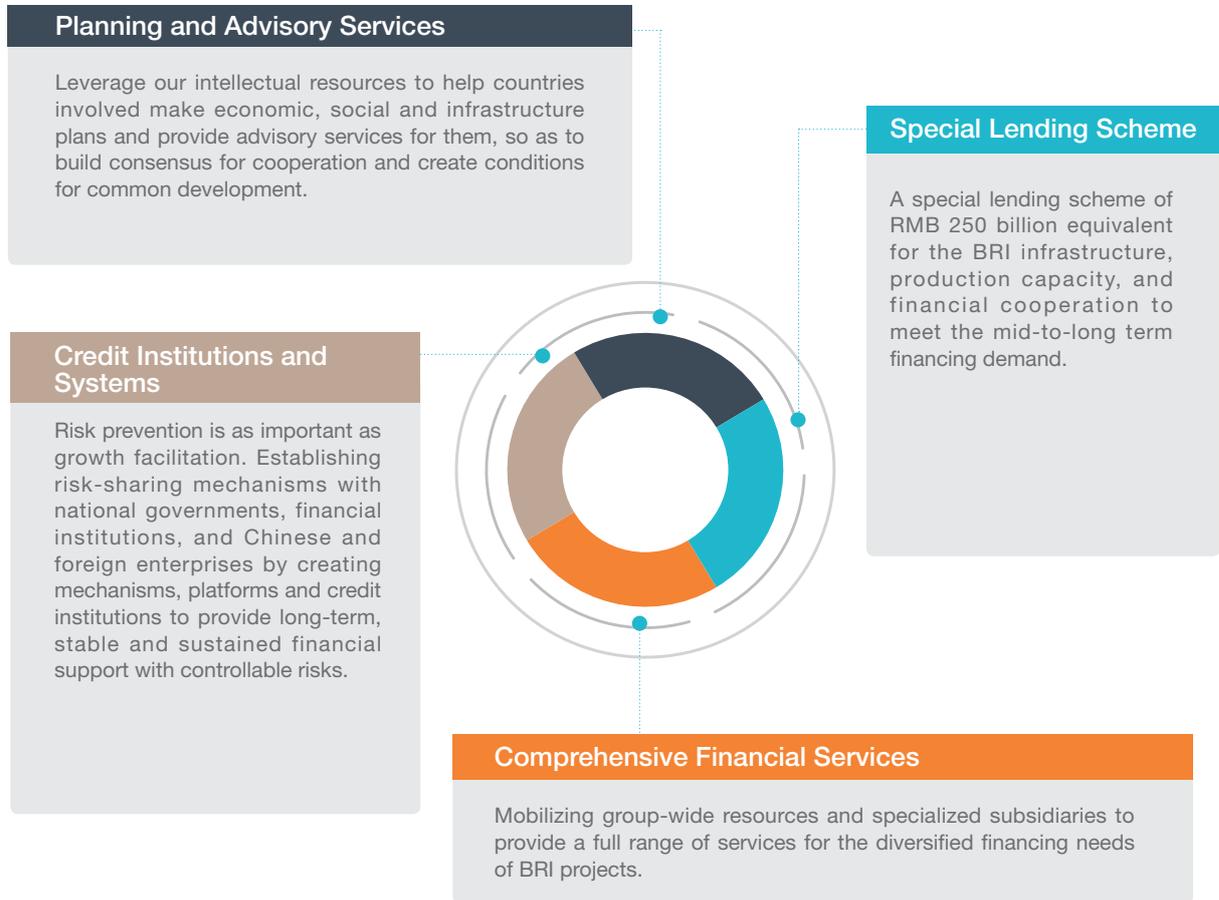


In the past five years, CDB has consistently championed the BRI. Respecting its principle of consultation and cooperation for shared benefits and tapping into our own strengths in development finance, we worked for the mid-to-long term development goals of our partner countries by providing public goods and better allocating resources for shared prosperity.

### CDB Framework for the BRI and Priority Topics in Sustainable Development



## Financing and Intellectual Support for the BRI



## Supporting Sustainable Development

In implementing the BRI, we strengthened our development finance capabilities and made joint efforts with other countries in meeting development challenges and promoting balanced progress in the economy, society, and environment.



Offering intellectual and financing support for infrastructure, production capacity cooperation, and financial cooperation under the BRI to bring project proposals into reality in partner countries and facilitate their inclusive growth.



Supporting public facilities, healthcare services, and job creation in partner countries to increase public welfare.



Issuing green credit and bonds to support environmental protection, energy conservation, clean energy, the circular economy, and climate change mitigation.

# Development Finance as a Way TO POOL IDEAS AND GENERATE CONSENSUS

The BRI seeks to increase common ground while respecting differences and advocates inclusiveness, peaceful coexistence, and common development. It respects the development path and model of each and every participating country. Its inclusiveness is best shown in its synergy with national development strategies of countries involved, as this is the only way for a close partnership of mutual benefit.

We mobilize intellectual resources to provide planning and advisory services for the BRI, put in place a multi-layered financial cooperation platform to channel resources toward the initiative, support academic exchange and think tank cooperation to find common development solutions, and encourage experience sharing and exchange to enhance development capacity.





## Cooperation Planning and Research

We are deeply involved in the bilateral and multilateral cooperation planning and research for the BRI under governmental frameworks, advising on practical cooperation at various levels, i.e. national planning, policies, institutions, and projects.

### Planning for the BRI

Planning for the economic corridors of China-Mongolia-Russia, China-Pakistan, Bangladesh-China-India-Myanmar and for connectivity between countries along the Lancang-Mekong River and the Three Seas Initiative

#### Multilateral Cooperation Planning

In-depth bilateral cooperation on planning and research between China and Russia, Kazakhstan, the Laos, Cambodia, Tajikistan, and Kuwait, and planning for China's cooperation with Sri Lanka, Saudi Arabia, Qatar, and Indonesia

#### Bilateral Cooperation Planning

Between 2013 and the end of 2018, we signed **189** agreements with countries participating in the BRI, worth a total of USD **193.4** billion.

## China-Kazakhstan Cooperation Planning



In 2014, China and Kazakhstan agreed to harmonize the BRI and the Bright Road Initiative in a bilateral cooperation document. CDB worked in partnership with Chinese government agencies to carry out the planning and research, which led to the formal signing of a cooperation agreement in 2016 to connect the two initiatives for greater practical cooperation in infrastructure, trade, and manufacturing.

## Land Connectivity to Boost the Development of the Laos



Somsavat Lengsavaed, the Lao Director of the China-Laos Railway Construction Steering Committee, noted that the Laos is a landlocked country. The railway, once completed, will significantly cut transport costs and boost the agricultural sector, benefiting over 70% of the population engaged in agriculture.

In 2014, we put forward a number of cooperation proposals under the BRI for trade and finance in light of the eighth five-year economic and social development plan of the Laos and completed the planning for such key projects as the China-Laos railway. Our proposals were incorporated into the intergovernmental document of China-Laos Bilateral Cooperation Plan.

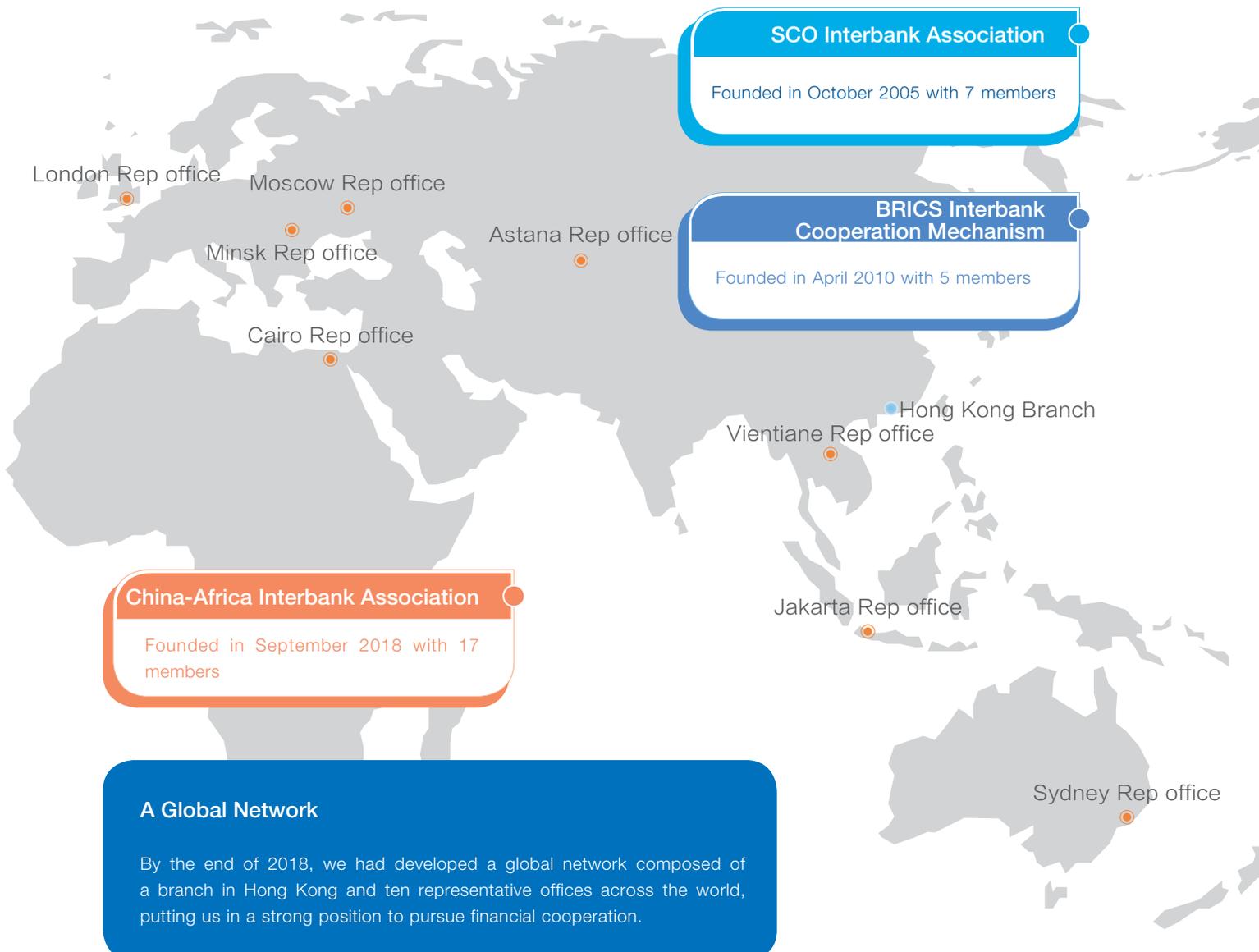
Completed planning cooperation on production capacity between China and Kazakhstan, Mozambique, Tanzania, the Republic of Congo, and Jamaica, and ongoing planning for three priority projects in the Laos, China-Vietnam land-based infrastructure, China-Indonesia Regional Comprehensive Economic Corridor, and the Suez Canal Corridor Area Project in Egypt

### Special Project Planning

## Creating Bilateral and Multilateral Cooperation Platforms

The BRI requires considerable financial resources, making the involvement of private investment all the more important. We create financial cooperation platforms to leverage the roles of development finance institutions, commercial banks, and multilateral financial institutions. We make good use of overseas investment funds and the bond market to form a diversified financing mechanism that connects domestic and international markets for both direct and indirect financing. We have initiated six inter-bank associations to identify more partners for global financial cooperation; we use syndicated loans, inter-bank credit lines, and BRI special bonds to combine financing from various sources to support sustainable development in the countries participating in the BRI.

### Global Partnerships for Financial Cooperation



### Partnerships for Diversified Financial Services



**Impact**

Long-term, stable, and mutually beneficial financial partnerships have been created to support infrastructure, small and medium enterprises (SMEs), agriculture, new and hi-tech industries in these countries, contributing to a stronger economy and higher living standards

**China-ASEAN Interbank Association**

Founded in September 2010 with 11 members

**China-CEEC Interbank Association**

Founded in November 2017 with 14 members

**China-Arab Countries Interbank Association**

Founded in July 2018 with 5 members

### Supporting Nigeria's Glass Production through Cooperation in the Third-Party Market

In light of the need of Nigeria for industrial development, we worked for the first time with MIGA in a third-party market in Africa to build a float glass factory in the country. This project enhanced the glass supply chain in Nigeria and boosted the local network of glass distributors and dealers down the chain, supporting the economy and job creation.



Upon completion, the factory is expected to sell 80% of its products locally to make up for the shortage of glass supply in Nigeria and create opportunities for employment and skills development



Glass factory construction site: adjusting tie rods for melting furnace



Glass factory construction site: pouring concrete



Glass factory construction site: building northern regenerative chamber



Part of the float glass factory

## A Partnership of Multiple Stakeholders for Green Energy Supply in Pakistan

The Karot hydropower project is the first major hydropower investment project in Pakistan under the China-Pakistan Economic Corridor. It creates job opportunities for local communities and provides clean energy at a reduced cost, turning Pakistan's favourable natural conditions into development strengths.

During the construction period, the company running the project contributed a total of **USD 23 million** in taxes to the Pakistani government, increased government revenues from water resources by **USD 6.48 million**, and directly created more than **2,200 jobs**.

During the operation period, it generates **3.2 billion kwh** electricity annually on average, reducing carbon emissions by **3.5 million tons** and providing **150-300 job** and training opportunities each year.



On-site inspection by participating banks in the syndication



Talks between banks and project managers



**Honoring Corporate Social Responsibility in line with international practice**

Drawing on our experience and the IFC management models and standards in Health, Safety and Environment (HSE) and considering the local conditions, we partnered with IFC and other parties to propose a package solution that meets the environmental protection requirements of the project and the needs of various parties.



**Providing financing through loan syndications**

We formed a loan syndication with the Export-Import Bank of China, the Silk Road Fund and IFC to provide **USD 1.39 billion** loans.



## Stronger Think Tank Cooperation

Promoting sustainable development calls for the intellectual input of various parties to overcome common development challenges. We have the only national-level think tank in China's financial industry, through which we have increased exchange and cooperation with international partners. Think tank cooperation was instrumental in promoting results-oriented financial cooperation by pooling ideas for sustainable development.

### Sharing Poverty Reduction Experience for Sustainable Development

In November 2018, under the sponsorship of the World Bank and the Chinese government, CDB and other partners organized the International Forum on Reform and Opening up and Poverty Reduction in China in Beijing. Under the theme of international poverty reduction cooperation for a community with a shared future, the forum facilitated discussions on China's success in fighting poverty over the past 40 years of reform and opening up, how to introduce Chinese conceptions into international consensus, and how to develop a community with a shared future by promoting poverty reduction cooperation. It was an in-depth exchange of views among 400 participants, including delegates from 11 international organizations, such as the UN, World Bank, IMF, AIIB, and New Development Bank, and political leaders, academics, business leaders and representatives of other sectors from 51 countries.

*"As the head of UNDP, I appreciate the close cooperation we've had with China over the past ten years. China's tremendous success in development is important in that it not only brought China out of absolute poverty, but also helped to fight poverty around the world."*

—Achim Steiner, UNDP Administrator

*"Even as China works toward overcoming poverty in rural areas, it has been helping other countries around the world. I note that China's foreign aid rose from \$631 million to almost \$3 billion between 2003 and 2015. With respect to agricultural development, China has provided substantial aid and investment, especially in Africa, including technical cooperation."*

—Gilbert F. Hougbo, President of IFAD



Forum participants visiting Lankao County in Henan Province



Forum participants visiting Shenzhen

## “Finance + Think Tank” for the BRI



### Prospective Study

- Special studies on BRI financial innovation and financing models to provide intellectual support for innovating BRI investment and financing models
- Research on legal risks in BRI partner countries and publishing the BRI Countries Legal Risks Report and Legal Guide for BRI Project Financing



### Comprehensive Analysis



- Producing *The Economic Development along the Belt and Road* in partnership with UNDP and Peking University, explaining the economic logic of the initiative from a global perspective
- Producing the BRI Trade and Investment Index together with China Centre for International Economic Exchanges to give data support for economic cooperation and trade between BRI participants



- » *Report on Economic Development along the Belt and Road* (Chinese and English), produced with UNDP and Peking University in 2017



- » *Leapfrogging: The Key to Africa's Development?*, produced with the World Bank in 2017 (English and French)



- » *BRICS Sustainability Report*, produced with UIBE in 2018 (Chinese, English, Russian, Portuguese)



- » *Report on the Trade and Investment Index of the Belt and Road*, produced with China Centre for International Economic Exchange and the Silk Road Research Centre in 2017 (Chinese and English)



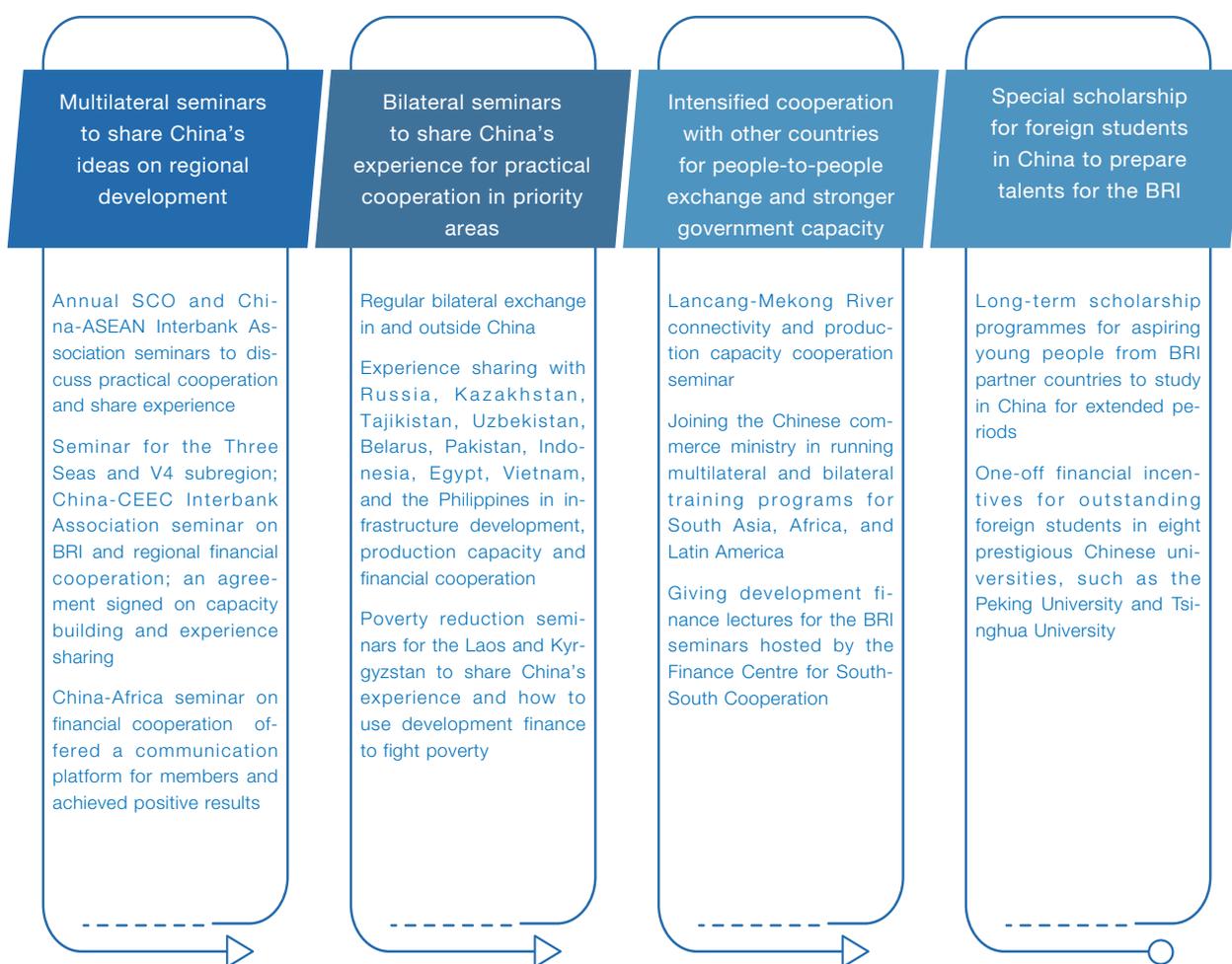
### Diversified Mechanisms



- Initiating the Investing in Africa Think Tank Alliance together with the World Bank
- Holding BRICS Think Tank forum and Senior Banking Managers' Dialogue with Businesses
- Initiating the UIBE BRI PPP Research Centre together with the Chinese Finance Ministry and Commerce Ministry

## Capacity Building Cooperation

Believing in the importance of trust, experience sharing, mutual learning, and common progress, we organize workshops, seminars, and overseas visits under the BRI umbrella to engage governments, financial institutions, and businesses. Participants discuss China's experience in reform and development, learn from each other's business practices, and brainstorm for practical cooperation; more communication leads to greater mutual understanding and trust. We create CDB Scholarship to encourage aspiring young persons from BRI partner countries to study in China. Acting on the three levels of state, institutions, and individuals, we support development capacity building in China and other countries for win-win outcomes.



- In May 2017, CDB announced the proposals to set up Experience Sharing and Capacity Building Cooperation Programme for the Belt and Road Partners, and the Belt and Road Scholarship, which were listed among the deliverables of the first Belt and Road Forum for International Cooperation.
- In September 2017, CDB created the Development Finance Institute, which is a key platform for CDB to conduct capacity building cooperation.
- Between 2013 and the end of 2018, CDB organized **120** exchange events for BRI partner countries, involving **3,304** participants in **58** countries; the scholarship programme benefited **333** students.

## New Cooperation Model for Better Communication

In August 2018, CDB organized the Lancang-Mekong River Connectivity and Production Capacity Cooperation Seminar, gathering about 50 participants from Cambodia, the Laos, Myanmar, Thailand, Vietnam, Chinese government agencies, UNDP and UNIDO. As part of the programme, they also visited Beijing, Zhuhai, and Shenzhen. A stronger consensus emerged from the event on promoting regional cooperation along the Lancang-Mekong River.

*“The Lancang-Mekong cooperation is an important regional cooperation mechanism. Thailand will enhance its connectivity and production capacity cooperation with its neighbours to better integrate in the regional and global value chain and supply chain. Our Eastern Economic Corridor can be linked with the BRI.”*

—Mongkol Visitstump, Minister of Thai Embassy in China

*“With the global growth facing uncertainties, it is essential that we strengthen production capacity cooperation and connectivity, promote financial cooperation and e-commerce, and better integrate our policies. There is a strong complementarity between the Chinese economy and that of Cambodia and other Mekong countries. Strong production capacity cooperation and connectivity will deliver win-win outcomes and improve the lives of our people.”*

—Suon Spohal, Director of Department of Public Relations and Promotion of Private Investment of the Council for the Development of Cambodia



Delegates from Lancang-Mekong countries visiting the Hong Kong-Zhuhai-Macau Bridge

## Scholarships for Friendship

“I am a staff member with the Lao Development Bank. In 2011, I was in the department of stock market customer service, helping our customers deposit and withdraw funds and exchange foreign currencies. The stock market was a new thing for my country, attracting many Chinese customers. The language barrier made me realize it was important to pursue my studies in China. Between 2011 and 2015, with the scholarship of CDB, I studied in Shandong University and the University of International Business and Economics. In the beginning, I could barely say hello in Chinese; but at the end of my studies, I was not only fluent in Chinese, but also understood much about China’s economy, culture, and society. Returning to the Lao Development Bank, I helped facilitated a number of exchange and cooperation programmes between the LDB and Chinese businesses. In July 2016, I had the pleasure to travel to Beijing for the China-ASEAN Financial Cooperation Seminar organised by CDB.”

In November 2016, CDB organised an event for those Lao graduates who had received CDB scholarships. Students shared their experience studying in China and expressed gratitude to CDB for its support. There are many others like them. Over the past five years, CDB promoted close cross-cultural interactions and encouraged and supported outstanding young persons from BRI partner countries to study in China to the benefit of both sides.



Keokenta Lormany, A Lao recipient of CDB Scholarship at China-ASEAN Financial Cooperation Seminar in July 2016



# Development Finance for DEVELOPMENT PLATFORMS

The BRI encourages countries to make joint efforts and share development opportunities, as this is the only way for our world to overcome the many challenges facing economic globalization and realize common development.

Relying on our rich experience and strength in medium and long-term financing, we have been able to meet the financing needs for infrastructure development, clean energy, and industrial zones and parks in line with market rules and, at the same time, ensure sustainable finance. We support projects that are backed by a strong cooperation desire and promise positive effects on the wider economy and society. Our actions turn visions into realities and contribute to the growth and living standards of the host countries.



## Transport Infrastructure

Convenient, efficient, and safe transport connects regions, countries, markets, and peoples. We provide medium and long-term financing for transport infrastructure in partner countries, such as railways, roads, and airports, and connect public and private sectors to expand funding sources. Stronger transport links lead to more regional economic cooperation and better mobility for the local people, which will, in turn, bring about common development.

### Road Connectivity for Sustainable Development

Road  
construction  
for economic  
development

Located at the center of the Indochina Peninsula, the Laos is a key link for land-based transport between China and ASEAN countries. Its road network is of great importance. We have provided financing support for Vientiane-Vang Vieng motorway project (109.1 km in total). Upon completion, the project will greatly cut the time for moving goods inward and outward and give a strong boost to trade between China, the Laos, and Thailand.

Tourism is a pillar industry in Cambodia. With USD 750 million loans, we helped the country build Phnom Penh-Sihanoukville Expressway, its first motorway (190 km in total), breaking the transport bottleneck in the country and supporting the tourism sector.

Rail port  
development  
for better  
customs  
clearance

We provided RMB 810 million loans for China's Chengdu rail port to turn it into a hub for trains between Europe and Asia, such as China Railway Express.

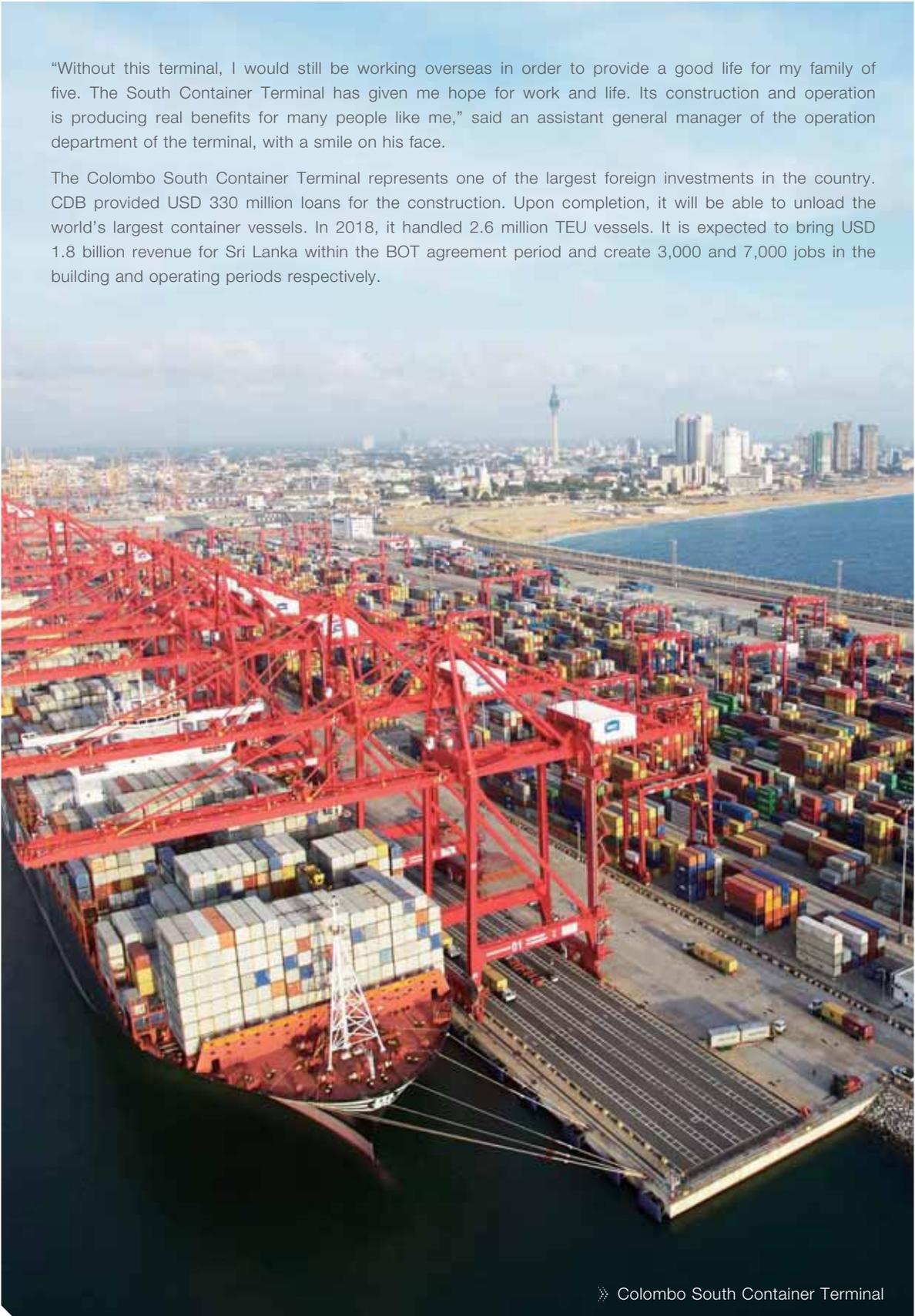
Airport  
development  
for regional  
connectivity

In Africa, the China-Africa Development Fund, initiated by CDB and now one of our subsidiaries, has given strong support to the AWA programme. By the end of 2018, the AWA had opened three domestic routes and four West African routes, enhancing the connectivity between Ghana and West Africa.

## Colombo South Container Terminal

“Without this terminal, I would still be working overseas in order to provide a good life for my family of five. The South Container Terminal has given me hope for work and life. Its construction and operation is producing real benefits for many people like me,” said an assistant general manager of the operation department of the terminal, with a smile on his face.

The Colombo South Container Terminal represents one of the largest foreign investments in the country. CDB provided USD 330 million loans for the construction. Upon completion, it will be able to unload the world’s largest container vessels. In 2018, it handled 2.6 million TEU vessels. It is expected to bring USD 1.8 billion revenue for Sri Lanka within the BOT agreement period and create 3,000 and 7,000 jobs in the building and operating periods respectively.



❖ Colombo South Container Terminal

## Clean Energy

How to ensure sustainable energy supply and cope with climate change is a common challenge facing human society today. For the clean energy industry of BRI partner countries, CDB is a source of large-scale, long-term financing. Our renewable energy loans cover hydro, wind, solar and other new sources of energy, helping these countries tap into their energy and resources potential for economic and social progress. Between 2013 and the end of 2018, we supported BRI power projects with a total installed capacity of 19,000 megawatts. By the end of 2018, we had issued USD 6.4 billion loans to BRI clean energy projects.

### Clean Energy for Higher Living Standards



Corn flour is a staple food for the people of Zambia; but processing is costly due to power shortages. Yet the country enjoys abundant sunshine all year round, which is a steady source of solar energy. We provided intellectual and financing support for Zambia to build 1,583 solar-powered mills across the country. Upon completion, they will supply nearly 2,500 tons of corn flour daily to the market, significantly lowering the daily expenditures of the people; they will also create 5,000 long-term jobs.

**2,500** tons of corn flour per day

**5,000** long-term jobs

» Local employees working in the mills

**2016.09** — loan agreement signed

**2018.09** — the total of USD 170 million loans disbursed

**2019.01** — 1,583 solar-powered mills completed to the acclaim of different sectors of Zambia

### PV Power for a Silk Road of Energy



» 60MW PV power plant in Bulgaria

On the new Silk Road, Bulgaria has always been a main power producer and exporter in southeastern Europe thanks to its abundant sunshine, with 2,300 to 2,400 hours of power production annually. According to the government’s long-term plan for renewable energy adopted in 2013, renewable energy is to take up 16% of all energy consumption nationwide by 2020.

CDB provided 103.24 million euros of loans for a 60MW PV plant to help Bulgaria reach its renewable energy goals.

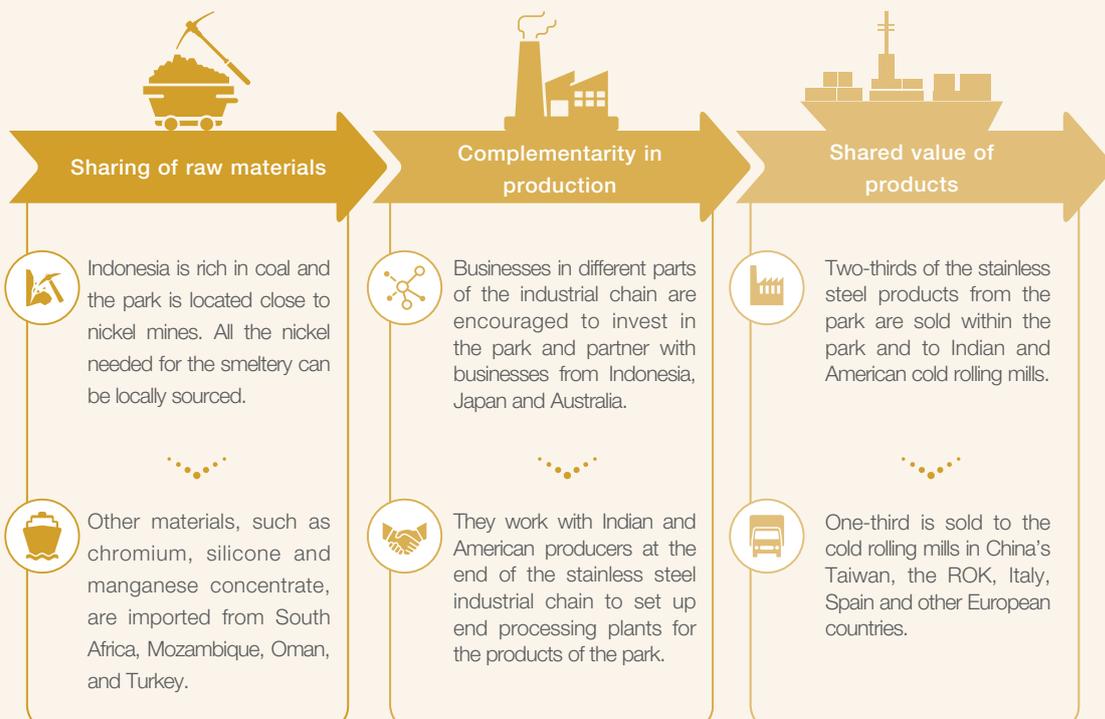


## Improve Industrial Chains in Industrial Parks

To enhance the complementarity between countries in natural resources and industrial structure, we financed industrial parks in partner countries based on the local conditions of resources, market demand, and development goals. With our capacity for comprehensive financial services, we were involved in the planning, design, construction, and operation of these parks and assisted with the technological and human resources services. This endeavour unleashed the potential of the host country for stronger economic performance.

### Helping Indonesia Build a Stainless Steel Production Base with the World's Longest Supply Chain

Kabupaten Morowali of Indonesia on the Pacific coast has the world's largest nickel reserves. In 2013, Shanghai Decent Group and Bintang Delapan Group of Indonesia created the joint venture Indonesia Morowali Industrial Park (IMIP). In 2015, a ferronickel production project with an annual capacity of 300,000 tons was completed with USD 338 million loans from CDB. In 2017, a stainless steel continuous casting facility with an annual capacity of one million tons and its supporting 2x150MW power plant was put into operation with USD 559 million loans from CDB. In 2018, the industrial park developed an annual capacity of three million tons, making the country jump from zero to the world's second place in stainless steel output and creating 11,000 job opportunities. Indonesian President Joko Widodo commended the outstanding contribution of the project to the economy and society, pointing out that nickel can only be sold at 30 dollars per ton, but ferronickel is 1,300 dollar per ton, and stainless steel 2,300 dollars per ton.

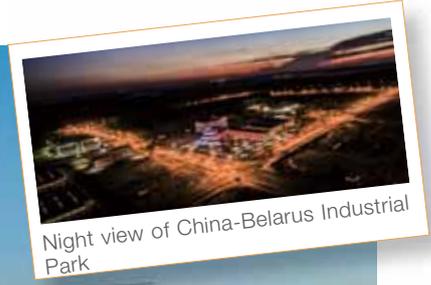


*"I saw firsthand how IMIP brought the advanced ferronickel technology here. As the park grows, tens of thousands came here from the Kabupaten, the Provinsi, and the whole country to get jobs and became skilled workers."*

—Anwar Hafid, Regent of Kabupaten Morowali

**• Building Logistics Hubs**

We provided USD 120 million financing support for the construction of China-Belarus Commerce & Logistics Park (phase one). This is one of the earliest projects of China-Belarus Industrial Park to be kicked off and enter into operation. It will offer important logistics facilities for the industrial park.



✧ Bird's-eye view of China-Belarus Commerce & Logistics Park

**• Economic Cooperation and Trade**

The Egypt TEDA Suez Economic and Trade Cooperation Zone is the flagship project of the Suez Canal Corridor. We used the special loan facility for the development of African SMEs and tapped into China-Africa Development Fund to support the project. It employs 3,500 local workers and generates 30,000 job opportunities in the industries, setting a good example of China-Africa cooperation.



✧ Suez Economic and Trade Cooperation Zone-glass fiber production line of China Jushi Glass Fiber Co., Ltd (Egypt)

**• Supporting Industrial Expansion**

We provided loans for infrastructure construction in the Vientiane Saysettha Development Zone. By the end of 2018, 56 businesses from seven countries and regions, including China, Japan, Singapore, Thailand, Malaysia, and the Laos, have been established in the Zone, creating a network of multilateral cooperation.

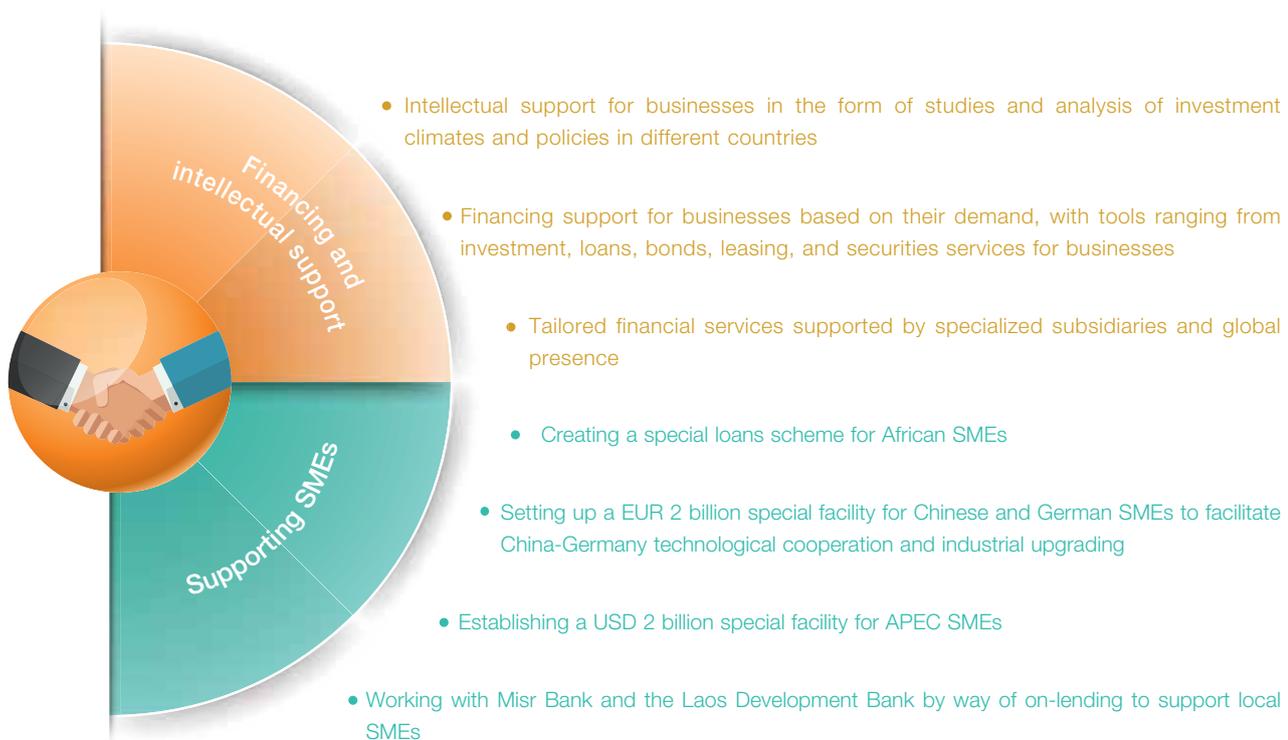


✧ Vientiane Saysettha Development Zone

## Facilitating Business Partnerships

We provided intellectual and financing support for business-to-business and business-to-government cooperation and encouraged and supported Chinese enterprises to establish partnerships with the businesses in the BRI partner countries in infrastructure development and production capacity cooperation. Various sources of resources were mobilized to drive economic growth.

### Facilitating Business Partnerships



The China-Africa Development Fund established at the initiative of CDB is committed to facilitating business investment in Africa. By the end of 2018, it had

- Invested USD 4.8 billion in 36 African countries
- Brought over USD 23 billion investment from China to Africa
- Increased the tax revenue of the partner countries by USD 1 billion
- Benefited more than 8.7 million Africans
- Directly created 70,000 jobs and indirectly created 300,000 jobs

## Facilitating Business Cooperation for Africa's Development



» AWA Open Day for primary school students to experience civil aviation services



"This airline company is quite new; but I'm confident in its safety because I know China is involved in the operation," a Ghanaian business man said so about AWA, the airline company that received the IATA-IOSA Certificate in 2016.

The AWA was co-founded with the investment of the SAS Finance Group of Ghana, China-Africa Development Fund, and Hainan Airlines, with the Fund providing financing and experience, the SAS offering its expertise in civil aviation, and Hainan Airline invited to build a tripartite partnership. Its success provides a replicable model for business partnerships and cross-cultural cooperation. According to the Ghanaian President, "This project not only makes travel much easier for the people, but also improves the investment environment in the country and drives the growth of other related industries."

» Cabin crew of AWA

## Supporting Urban Communities

The BRI reaches out to more than 60% of the global population and 55% of the global urban population, representing nearly one-third of global economic output. Rising up to the challenges of urbanisation is crucial for sustainable development around the world. CDB supports partner countries in building modern, clean and efficient public infrastructure, promoting the use of clean energy, and meeting the demand of urban communities for a better life.

### HDB Welfare Project



✦ HDB flats at Ang Mo Kio and Kallang of Singapore



Over 80% of the Singaporean residents live in public housing units called HDB flats. With the demand for these flats increasing every year, we provided USD 118 million and 581 million Singaporean dollars for the construction of 16,393 flats that offered a well-designed, functional home for tens of thousands of low-income Singaporeans.



Supported a total of  
**16,393** flats

We work to protect world cultural and natural heritage. Angkor Wat, the national treasure of Cambodia and the world's oldest temple, was threatened by its close distance to the old airport of Siem Reap; we took the lead in forming a loan syndication to build a new airport for the city.

Safe and stable power supply for all is of great importance. We have supported projects in Africa with a combined installed capacity of 1,460MW. We are involved in the construction of Egypt's 500 KV main power grid and supported the inter-connectivity between different power grids in Africa. In the Laos, we provided USD 357 million in financing to support two projects, the ring power grid and underground power lines in Vientiane, contributing to the stable power supply in the capital and its surrounding areas. In Tajikistan, we supported building two high voltage power transmission lines with two substations, meeting the urgent demand for power of businesses in the Dangara Free Economic Zone.



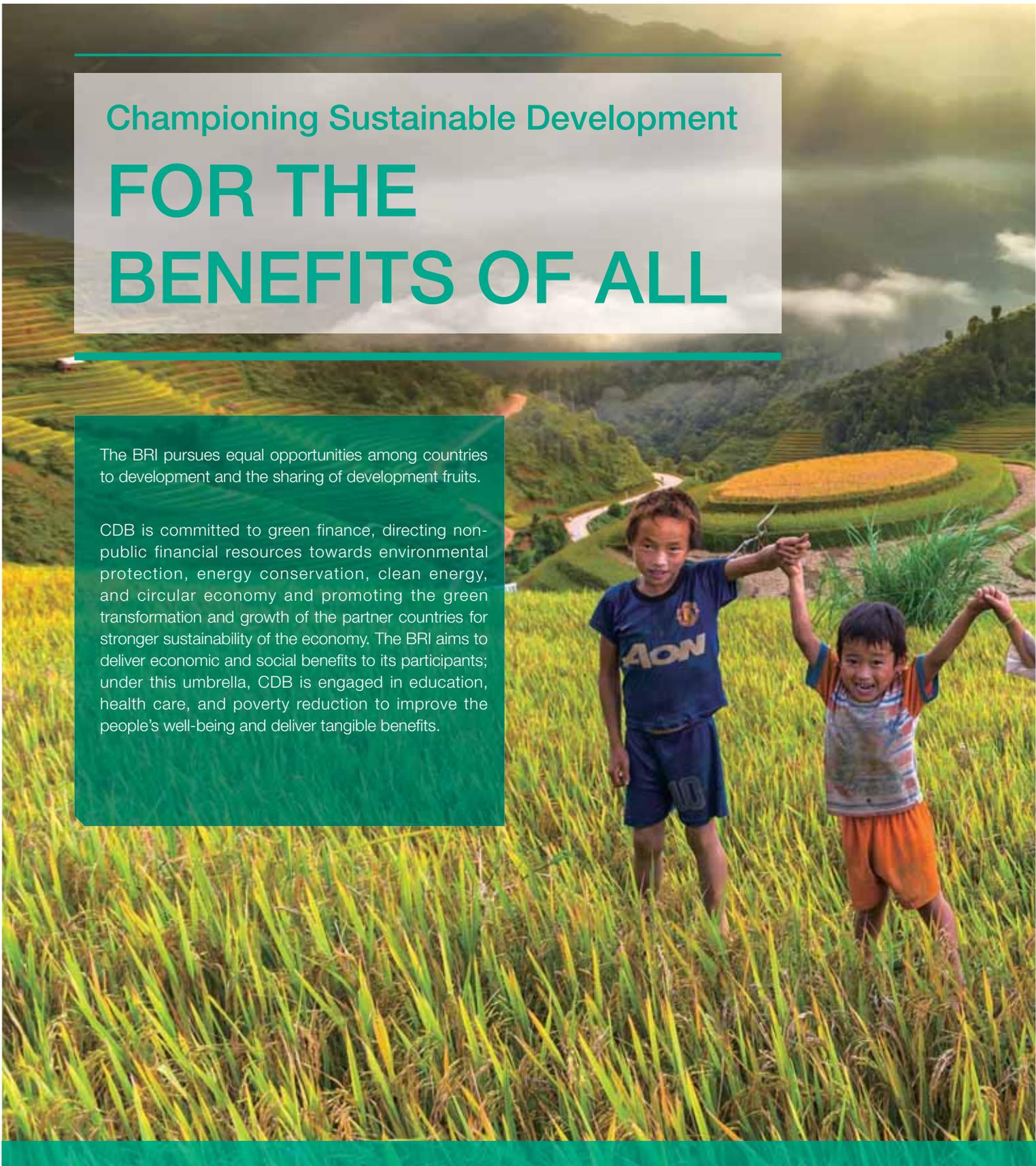
We are involved in providing urban heating to improve living conditions. We financed the Amgalan boiler plant in Ulaanbaatar, Mongolia, its first large-scale heating for urban residents in 30 years. It is expected to keep 100,000 households warm and each year about 22,000 households can move into apartment buildings serviced by the plant.

We seek to lessen the environmental impact of cities. Improving air quality was one of our goals in supporting the Amgalan plant. Upon completion, it enabled the city to shut down 45 small boiler plants in its east in 2018; air pollution caused by the disorganized burning of coal and timber will be alleviated and the environment will be cleaner and more comfortable for the residents.

# Championing Sustainable Development FOR THE BENEFITS OF ALL

The BRI pursues equal opportunities among countries to development and the sharing of development fruits.

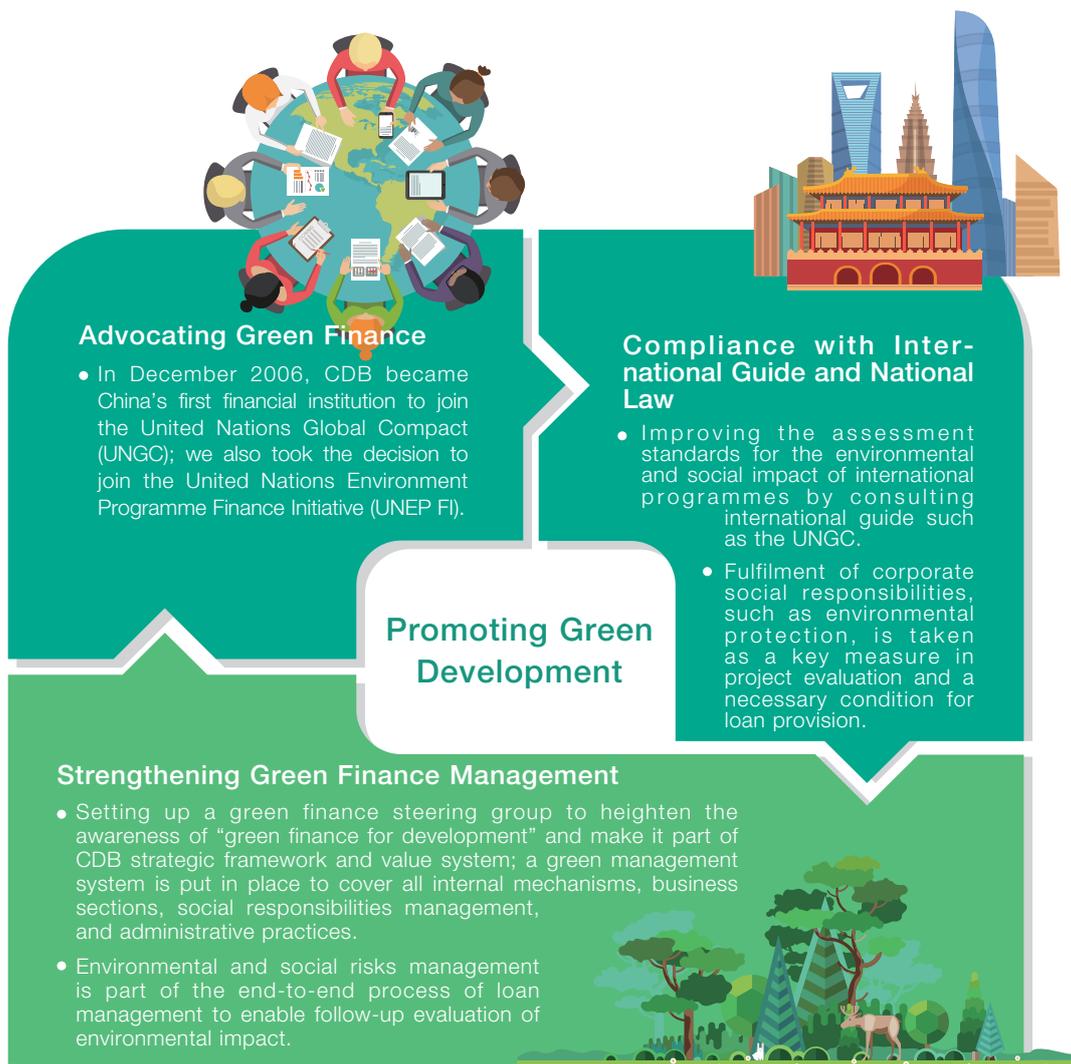
CDB is committed to green finance, directing non-public financial resources towards environmental protection, energy conservation, clean energy, and circular economy and promoting the green transformation and growth of the partner countries for stronger sustainability of the economy. The BRI aims to deliver economic and social benefits to its participants; under this umbrella, CDB is engaged in education, health care, and poverty reduction to improve the people's well-being and deliver tangible benefits.





# Championing Green Development

Green development is the way for BRI partner countries to realize sustainable development and ensures the sustained and steady growth of the economy. Recognizing the importance of harmony between economic growth and nature preservation, we enhanced cooperation in green investment and financing to support businesses that exercise green supply chain management, ecological protection in partner countries, and climate-adaptive agriculture. Our efforts contributed to developing a green silk road.



In carrying out the Colombo port city infrastructure project in Sri Lanka, the contractor monitored the sea water quality and underwater life within 10 km north and south of the port in strict compliance with local environmental laws and regulations to offer maximum protection for underwater ecological system.

### China's First Ever Quasi-Sovereign International Green Bond

On 9 November 2017, we issued China's first quasi-sovereign international green bond, which includes 500 million dollar bonds and one billion euro bonds. It aims to tackle climate risks, such as rising temperature and flooding. With the label of "Climate Bond Certified", a label within the Climate Bond Initiative (CBI) taxonomy, it attracts investments from a number of well-known sovereign investment funds and the central banks of BRI partner countries. Its proceeds fund green industrial programmes in these countries, including clean energy, pollution prevention and treatment, and resources conservation and recycling to promote green and sustainable development.



The First Quasi-Sovereign International Green bond

500 million USD

1,000 million EUR

*"This is a milestone. It shows CDB's commitment to developing a green and beautiful China and will deepen comprehensive financial cooperation between China and Europe."*

*—China Europe International Exchange*

*"Breaking: 2017 Green Bond Record! \$100bn in global issuance reached with China Development Bank Certified Bond."*

*—Climate Bond Initiatives*



### Sourcing Locally to Support Sri Lankan Biomass Power Plant

With a fast growing population and accelerated industrialization, Sri Lanka is facing rising demand for electricity.

01

Kalawa Aragam 10MW biomass power plant is the country's first 10MW biomass power project approved by the government.

02

CDB provided USD 13 million mid-to-long terms loans.

03

The plant uses *gliricidia sepium*, a fast-growing, commonly seen plant in the area as its source of biomass, which helps reduce environmental pollution.

04

Upon completion, it will generate 70,000 megawatts of good, reliable, and environmentally-friendly electricity every year, reducing the burning of 32,100 tons of standard coal equivalent (UN) and 80,000 tons of carbon dioxide; it will also employ 20,000 local workers and increase the income of every farming household by almost USD 1,000 every year on average.

Dosing system of the plant



# Eliminating Poverty and Increasing Employment

Eliminating poverty is the common goal of human societies; decent jobs are an important tool. CDB supports cooperation projects that can drive growth and employment in its host country and encourages the sharing of techniques and experience to train more home-grown talents so that the host country will enjoy stronger self-development capacity.

## Supporting China-Indonesia Agricultural Cooperation in the Interest of the People

A local grower of palm trees



Fresh oil palm fruits ready for pressing



Palm oil tops the list of vegetable oils for its output and consumption. Palm oil production and export figures prominently in the economy of Indonesia. CDB provided USD 24 million loans for the SCC oil palm plantation and processing project.

Cleared over

**1,000**

hectares of land for plantation

Created

**1,000**

local jobs

01

The project elevated the industrial production of palm oil in the country and improved the industrial chain in this sector.



02

It provides over 1,000 hectares of plantation land and technology support for the nearby villagers; it also purchases their oil palm fruit, increasing individual income.



03

It offers the local community 1,000 jobs and the opportunity to learn about industrial park management.



04

Its supporting facilities of housing, clinics, mosques, and school bus service improved the conditions for living, health care, and education.



### Turning Waste Land into Grain Producing Area

Cotton harvesting



Cotton packaging



Workshop



“This farm has brought back spring,” a farmer at a Tajikistan farm said. He has been working here for three years. The farm he referred to is one of the outcomes of the Tajikistan agricultural industrial chain project of China’s Henan Huangfan District Shiye Company. This project received USD 18 million loans from CDB.



## Supporting Power Plants for Better Lives

Overview of Lower Sesan II Hydropower Plant



Students from the new villages taking part in provincial sports competition (beach volleyball)



Newly built villages



In one of the gardens of a resettlement village of Lower Sesan II Hydropower Plant, a cheerful woman said, “We each get five hectares of land. My new house is much bigger than the old one. I’m growing papayas and bananas in garden for the family and also to make some extra money.” This new village has become a demonstration relocation project in Cambodia. CDB put together a loan syndication to provide USD 430 million for the Lower Sesan II Hydropower Plant. This project has an installed capacity of 400 megawatts and an annual output of 1.97 billion kWh. To protect the interest of the local community, all the 3,690 villagers in 840 households affected by the water retaining works were moved to clean, safe, spacious, and well-designed housing units. Public facilities including schools, hospitals, police stations, and temples were built for the three villages, complete with road, power grid, and sewage system.

*“This is the biggest hydropower plant China built in Cambodia. It will provide energy, lower electricity costs, and reduce poverty.”*

*—Cambodian Prime Minister Hung Sen*



Overview of Lower Sesan II Hydropower Plant

## Better Healthcare and Education

A healthy lifestyle and good education are critical for sustainable development. CDB is dedicated to supporting the health care and education sectors of the partner countries so that more will have access to basic health care services and schooling opportunities.

China-Africa Development Fund created at our initiative has invested in programmes in Africa that provide public facilities for local communities, including

4  
hospitals 

9  
schools 

### Building Healthcare Structure to Improve Lives



» Levy Mwanawasa Hospital, Zambia

We provided USD 10 million loans in 2017 and 2018 respectively for the Levy Mwanawasa Hospital project in Zambia, which expands the floor space of the hospital from 7,471.59 m<sup>2</sup> to 42,471m<sup>2</sup>, increases the number of beds from **159 to 826**, and introduced more medical facilities and functions, effectively turning the hospital into a medical center that allows for treatment, R&D and education, taking the health care capacity of the country to a new level.



The hospital area  
increased to

**42,471** m<sup>2</sup>

## Nam Ou River

Chronic power shortage in the northern mountains of the Laos has long held back productivity and living standards in the area. To fundamentally address the problem, the Lao government approved Nam Ou river cascade hydropower stations in an effort to tap into the water energy. The first phase of the project has an installed capacity of 540 megawatts, and the second phase 732 megawatts. With our syndicated loans, the project will turn the rich water resources of the river into a power for economic and social progress in the country.

According to the statistics we have so far,

- The project has created **8,000** jobs for the Laos
- **23** resettlement villages will be built for **126,000** villagers in **2,300** households
- A total of **500** km of roads will be newly built or renovated and more than **20** large and medium-sized bridges will be constructed, a great boost to local transport infrastructure

*"This project has multiple benefits; it provides electricity for the economy and society, reduces soil erosion and floods, upgrades infrastructure, and brings nice new villages complete with hospitals, temples and schools. Now our villagers can access better health care and education."*

*—Lao Prime Minister Thongloun Sisoulith*

*"This project could not have been launched without financing from CDB; and we would not have had new jobs and homes. Long live the friendship between the Laos and China."*

*—Technician at Nam Ou power station*



📍 A resettlement village built for the power stations

# Outlook

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In the past five years, CDB was every step of the way supporting the BRI as it gradually transformed itself from a conception of win-win cooperation into real actions and extends further into the world to connect policies, infrastructure, trade, currencies, and people. Going forward, we will continue to advocate innovative, coordinated, green, open, and shared development, implement the principle of consultation and cooperation for shared benefits, and support quality growth. We will leverage our strength in development finance and made sound financial decisions to support an inclusive and healthy BRI that promotes sustainable development.

**Continued financial and intellectual support.** Acting within the current interbank associations, we will take multiple approaches, such as syndicated loans, co-financing, extension of credit lines, and various kinds of interactions to promote practical cooperation. We will pursue more in-depth and extensive international exchange, think tank cooperation, and capacity building to pool ideas for development.

**Focused efforts for common progress.** We will be committed to the key areas and partner countries under the BRI and such key areas as infrastructure connectivity, production capacity cooperation, and financial cooperation. We will support flagship programmes to boost the economic vigor of the partner countries and programmes that deliver tangible benefits to the local communities.

**Improve ourselves to better support sustainable development.** We will ensure the good and consistent performance of CDB, make it a more effective market player, and enhance its capacity in financing services and risk prevention so that it grows in a healthy and sustainable way.



## Our Actions under the UN Sustainable Development Goals

UN SDGs	What We Did
1. No Poverty	<ul style="list-style-type: none"> <li>· Share poverty-reduction experience</li> <li>· Support programmes that are good for the local economy, society, and job creation</li> </ul>
2. Zero Hunger	<ul style="list-style-type: none"> <li>· Financial cooperation in support of agricultural infrastructure and farming</li> <li>· Support ecological preservation and climate adaptive agriculture</li> </ul>
3. Good Health and Well-being	<ul style="list-style-type: none"> <li>· Support building public facilities and health care services</li> </ul>
4. Quality Education	<ul style="list-style-type: none"> <li>· Support education initiatives to create educational opportunities for more people</li> <li>· CDB Scholarship funds promising young persons from BRI partner countries</li> </ul>
5. Gender Equality	<ul style="list-style-type: none"> <li>· Support employment of women</li> </ul>
6. Clean Water and Sanitation	<ul style="list-style-type: none"> <li>· Support programmes of water management and waste water treatment</li> </ul>
7. Affordable and Clean Energy	<ul style="list-style-type: none"> <li>· Long-term, large-scale financing for clean energy sector</li> <li>· Renewable energy loans cover hydro, wind, solar and other new types of energy</li> </ul>
8. Decent Work and Economic Growth	<ul style="list-style-type: none"> <li>· Financing and intellectual support to get projects off the ground for inclusive growth</li> <li>· Support projects that create good job opportunities</li> </ul>
9. Industry, Innovation, and Infrastructure	<ul style="list-style-type: none"> <li>· Planning and advisory services for infrastructure development</li> <li>· Financial cooperation in support of infrastructure construction</li> <li>· Attract funds for transport infrastructure under BRI</li> <li>· Support development parks to boost trade, industrialisation, and industrial upgrading</li> </ul>

## Our Actions under the UN Sustainable Development Goals

UN SDGs	What We Did
10. Reduced Inequalities	<ul style="list-style-type: none"> <li>· Make development benefit the BRI countries and peoples in a more extensive and fair way</li> </ul>
11. Sustainable Cities and Communities	<ul style="list-style-type: none"> <li>· Improve power supply</li> <li>· Improve urban heating</li> <li>· Improve air quality</li> <li>· Protect world cultural and natural heritage</li> </ul>
12. Responsible Production and Consumption	<ul style="list-style-type: none"> <li>· Support building modern, clean and efficient public infrastructure</li> <li>· Encourage efficient water use</li> </ul>
13. Climate Action	<ul style="list-style-type: none"> <li>· Use green credit and bonds to support environmental protection, energy conservation, clean energy, circular economy, and climate change mitigation</li> <li>· Support programmes that reduce greenhouse gas emissions</li> </ul>
14. Life below Water	<ul style="list-style-type: none"> <li>· Support programmes that protect life below water</li> </ul>
15. Life on Land	<ul style="list-style-type: none"> <li>· Support ecological environment protection</li> </ul>
16. Peace, Justice, and Strong Institutions	<ul style="list-style-type: none"> <li>· Rules compliance in management</li> <li>· Equal emphasis on growth and risk control</li> <li>· Exchange and cooperation in country risk and project financing risk prevention</li> </ul>
17. Partnerships for the Goals	<ul style="list-style-type: none"> <li>· Experience sharing and discussions in various forms to build platforms for communication and deepen mutual trust</li> <li>· Intellectual support for cooperation in planning, policies, institutions, and projects</li> <li>· Initiated six interbank associations/cooperation mechanism to build a circle of friends for global financial cooperation</li> </ul>

## Report Description

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This report presents a true picture of how CDB supports sustainable development under the BRI with development finance tools.

Target period: 2013-2018, with some information from outside this period.

Institutional coverage: CDB (referred to China Development Bank, CDB, and “we” in the report) and its subsidiaries.

Access to the report: for the electronic version please visit <http://www.cdb.com.cn>.

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# Your Feedback

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Dear readers,

We appreciate that you take your time to read this report and warmly welcome your comments for us to keep making progress in fulfilling our social responsibilities and supporting sustainable development.

1. What is your relationship with CDB? (please tick the appropriate box)

- government agency    regulator    investor    staff member    client    supplier    partner  
 industry peer    community and the general public    media    NGO    other (please specify)\_\_\_\_\_

2. How do you evaluate CDB's performance in promoting sustainable development under the BRI?

- Excellent    Good    OK    Poor

3. How do you evaluate this report?

- Excellent    Good    OK    Poor

4. What do you think of the structure of and the quality of information disclosed in the report?

- Excellent    Good    OK    Poor

5. What do you think of the format and presentation technique of the report?

- Excellent    Good    OK    Poor

6. Do you have any advice on how CDB could better fulfill its social responsibilities and support sustainable development?

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**You are most welcome to send you feedback to wangguanzhong@cdb.cn. Your input will be most valued.**



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