COUNTRY PORTFOLIO EVALUATION

CHINA

EVALUATION LENS

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NDB IN CHINA

Since approving its first China project in April 2016, the New Development Bank (NDB) has committed USD 9.81 billion financing across 31 projects in China, representing 27.5% of the Bank's global lending portfolio by the end of 2025.[1] Covering transport, clean energy, water, sanitation and environmental protection, this portfolio spans key sustainable infrastructure sectors. What are the overarching results of the China-NDB partnership? How has the NDB portfolio of projects performed? How effective are NDB's non-lending activities in the country? The China country portfolio evaluation (CPE) undertaken by the Independent Evaluation Office (IEO) in 2025 addresses these and other key questions. This Evaluation Lens provides an overview of the CPE's findings and recommendations.

31 projects

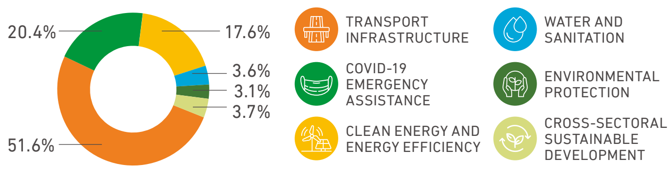
USD 9.81 billion

27.5% of the Bank's global lending portfolio as at end-2025

NDB IN CHINA: A SNAPSHOT AS AT END-2025

Total active operations	31 (26 sovereign, 5 non-sovereign)
Total committed financing	USD 9.81 billion
Overall disbursement ratio	79.2% (highest among all NDB member countries)
Local currency (RMB) lending share	70.9% (highest among NDB members and peer MDBs)

Sector focus



Geographic coverage

OVERVIEW OF THE EVALUATION FINDINGS

The China-NDB partnership is rated Successful. As one of the Bank's largest global portfolios, it excels in local currency financing, fast project delivery, technological innovation and robust borrower compliance. While the Bank's non-lending work — including technical assistance, capacity building, knowledge exchange and partnership cooperation — has delivered targeted benefits, resource constraints and fragmented implementation have prevented it from realising its full develoment impact.

This partnership has created a replicable engagement model for multilateral development banks (MDBs) operating in emerging economies, demonstrating how strong national ownership and institutional capacity enable multilateral finance to advance sustainable infrastructure. Still, structural gaps persist: no dedicated country partnership strategy, narrow financial product diversity and under-resourcing for the China Desk. These areas provide clear opportunities to scale up the partnership's long-term development impact.

KEY TAKEAWAYS FROM NDB-FINANCED LENDING OPERATIONS IN CHINA

NDB's China lending portfolio delivers strong overall performance. All 27 evaluated projects align closely with China's national strategies, dual carbon targets and core United Nations Sustainable Development Goals. As the world's top panda bond issuer, NDB leads peer MDBs in local-currency financing, with above-average disbursement rates and faster project approval and delivery cycles.

The portfolio generates transformative, sustainable development results with reliable borrower implementation. Flagship projects establish global technical benchmarks in renewable energy, smart urban transport and inclusive water infrastructure. Strong government backing, climate-resilient design and strict biodiversity safeguards ensure long-term project viability, while implementing agencies uphold rigorous financial compliance, cross-departmental coordination and innovative global infrastructure practices.

Several areas warrant improvement to further strengthen portfolio performance. Some early projects were affected by overly optimistic demand forecasts and underdeveloped design and monitoring frameworks. Moreover, the Bank's financial instrument suite remains insufficiently diversified beyond conventional loans, with no flexible instruments available for currency conversion, interest rate swaps, or fixed-rate financing for non-sovereign operations as at end-2024. High early-stage staff turnover undermined knowledge sharing, and project economic appraisals could be further refined.

1 All portfolio figures are cumulative loan approvals net of cancellations, sourced from the NDB loan dashboard.

NON-LENDING ACTIVITIES: TARGETED VALUE WITH UNTAPPED POTENTIAL

NDB has delivered solid progress in its non-lending work in China. Targeted technical assistance has supported flagship projects on biodiversity protection and climate risk assessment. Customised capacity building has strengthened project entities' environmental, social and governance and sustainable procurement expertise, while also benefiting non-sovereign borrowers. Knowledge partnerships enabled South-South sharing of China's infrastructure experience across NDB member states. Thirteen memoranda of understanding with public, financial and multilateral institutions underpinned record panda bonds issuances and cross-border RMB financing.

Nevertheless, institutional bottlenecks constrain the scalability of these initiatives. Technical assistance remains ad hoc, with no use of the Project Preparation Fund. Limited staffing restricts internal research capacity, and no centralised knowledge platform has been established. One-fifth of signed memoranda of understanding are under implemented, featuring low MDB co-financing and insufficient engagement with civil society and green private firms. The lack of a unified capacity-building framework has resulted in inconsistent support across different project phases.

RECOMMENDATIONS

RECURRING RECOMMENDATIONS (FROM PREVIOUS IEO EVALUATIONS)

1. **Develop a tailored China country partnership plan** aligned with the 15th Five-Year Plan and NDB's 2027–2031 General Strategy to integrate lending and non-lending work, define strategic priorities and rationalise resource allocation.
2. **Upgrade project preparation, monitoring and evaluation systems** via early technical input, reliable demand forecasting, standardised design frameworks and adaptive supervision mechanisms.
3. **Systematise technical assistance and capacity building** by utilising the Project Preparation Fund, rolling out portfolio-wide support programmes, and cooperating with local research institutes.
4. **Strengthen research and knowledge management** through internal expertise expansion, a centralised knowledge database, and wider sharing of proven best practices.
5. **Digitise loan disbursement** via borrower portals and optimise unused fund reallocation to lift capital utilisation efficiency.

NEW STRATEGIC RECOMMENDATIONS

1. **Diversify financial product offerings** with loan currency conversions, flexible interest rates, guarantees, equity financing and fixed-rate loans to enhance market competitiveness.
2. **Expand multi-stakeholder cooperation** to scale up MDB joint co-financing, engage civil society and green private firms, and leverage government development funds for non-lending activities.

NEW OPERATIONAL RECOMMENDATION

3. **Refine financial and economic appraisal:** unify hurdle rates, adopt residual value calculations, standardise sensitivity analysis and mandate Scope 2 carbon accounting for all applicable operations to ensure consistent cross-project benchmarking.

NEW INSTITUTIONAL STRENGTHENING RECOMMENDATION

4. **Fully resource the China Desk** as a dedicated department with sector expertise and direct senior management reporting, to upgrade portfolio supervision and non-lending service delivery.

THE INDEPENDENT EVALUATION OFFICE

The NDB Independent Evaluation Office was established in April 2022. The Director General of IEO reports directly and exclusively to the NDB Board of Directors. The main objective of IEO is to promote accountability and learning to enhance the Bank's performance.

Want to find out more?

The Evaluation Lens provides a short summary of evaluations conducted by IEO. The full evaluation report and related documentation may be accessed through the IEO web pages.

◀ Scan to access the full report.

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