



**Congressional
Research Service**

Informing the legislative debate since 1914

China's Role in the International Financial Institutions

June 11, 2026

Congressional Research Service

<https://crsreports.congress.gov>

R48983

Contents

China and the IFIs: Key Policy Issues.....	1
Historical Context.....	2
China as a Recipient of Development Assistance	4
China’s Representation at the IFIs.....	6
PRC Firms and MDB Procurement.....	11
Selected Policy Options for Congress	13

Figures

Figure 1. IFI Membership: U.S. and China	3
Figure 2. World Bank and AsDB Financing in China, 2020-2025	4
Figure 3. China and World Bank Graduation	5
Figure 4. China’s Economic Rise and Static Voting Power at the IFIs	7
Figure 5. Member Country Representation at the IMF and World Bank	8
Figure 6. U.S. Representatives to the IMF and the World Bank	11
Figure 7. MDB Civil Works Contracts: Awards by Firm Nationality	12

Contacts

Author Information.....	15
-------------------------	----

China and the IFIs: Key Policy Issues

The United States and the People's Republic of China (PRC, or China) are the world's two largest economies. The two governments have foreign policy and economic priorities that sometimes overlap and sometimes diverge. The international financial institutions (IFIs)—including the International Monetary Fund (IMF), the World Bank, and regional multilateral development banks (MDBs)—can provide a formal venue through which the United States and China, in coordination with other IFI members, work to advance economic cooperation on areas of agreement and negotiate differences on a range of international economic issues. The IFIs can also serve as a forum for political and economic competition between the two countries.

Key policy questions about China's role in the IFIs include the following:

- *To what extent, if any, should the World Bank and the Asian Development Bank continue to fund development projects in China?* China's level of economic development has increased over the past two decades, and it has sizeable resources it could use to pay for development projects itself, rather than relying on multilateral financing. At the same time, World Bank and Asian Development Bank projects include environmental, labor, and procurement standards that might not otherwise be adopted, and multiyear development projects provide visibility into China's economy.
- *What is the appropriate representation of China at the IFIs?* Countries with larger economies generally have larger voting shares at the IFIs. By this metric, China is underrepresented at the IFIs—China's voting share does not reflect its rapid economic growth over the past two decades. Increasing China's voting share could strengthen the legitimacy of the IFIs and raise additional resources for the IFIs, but it might also allow China to advance policies that are not in line with U.S. policy and interests.
- *What are the implications of PRC firms bidding on and implementing a significant share of MDB infrastructure contracts?* Some PRC firms that bid on and win MDB contracts are state-owned enterprises (SOEs). SOEs benefit from explicit and/or implicit government subsidies, which can result in cost savings for MDB projects. At the same time, it might raise concerns about whether private companies are able to compete on a level playing field when bidding on MDB contracts. There may also be concerns about the number of PRC firms that have been banned from bidding on MDB contracts due to fraudulent and corrupt business practices.

These policy issues are discussed in more detail below, following brief background information on U.S. and PRC membership in the IFIs. The report concludes with policy options for Members of Congress seeking to shape U.S. policy toward China at the IFIs, if they are interested in doing so.¹

¹ For information on the IFIs more broadly, see CRS Report R41170, *Multilateral Development Banks: Overview and Issues for Congress*, by Rebecca M. Nelson, and CRS In Focus IF10676, *The International Monetary Fund*, by Rebecca M. Nelson.

Historical Context

The United States, in coordination with European countries, led the creation of the IMF and the World Bank at the end of World War II. Both the World Bank and IMF are specialized agencies of the United Nations (UN) system; as such, they are legally independent intergovernmental organizations with their own constitutions, rules, membership, organs, and financial resources.² The mission of the IMF is promoting international monetary stability; the World Bank is focused on financing economic development in low- and middle-income countries.

In the decades following World War II, the United States also helped create MDBs tailored to the needs of specific regions, including the Asian Development Bank (AsDB), the Inter-American Development Bank (IDB), and the European Bank for Reconstruction and Development (EBRD). The United States also joined the African Development Bank (AfDB) after membership opened to countries outside of Africa.³

The United States continues to play a critical leadership role at these institutions, where it has the largest or second-largest voting power.⁴ In some cases, the United States has unique veto power over major policy decisions, such as amendments to the charters governing the institutions.⁵ Several studies suggest that the United States also has considerable informal influence over IFI operations—for example, that U.S. allies tend to secure more favorable IFI programs than other countries.⁶

² For more information on the UN system, see CRS Report R47715, *The United Nations System: Frequently Asked Questions*, by Luisa Blanchfield.

³ In terms of specialized MDBs, this report focuses on the AsDB, the AfDB, the IDB, and the EBRD. It also draws comparisons with the Asian Infrastructure Investment Bank (AIIB). The report does not discuss a number of smaller MDBs, including the International Fund for Agricultural Development (IFAD), the Islamic Development Bank, the New Development Bank (whose members include the BRICS countries [Brazil, Russia, India, China, and South Africa]), the Caribbean Development Bank, the International Investment Bank (formed by countries of the former Eastern bloc), or the CAF (Corporación Andina de Fomento [CAF], the Development Bank of Latin America). With the exception of IFAD, the United States is not a member of these other IFIs.

⁴ The United States has the largest voting power at the World Bank, the IMF, the EBRD, and the IDB. It is tied with Japan for the largest voting power at the AsDB. At the AfDB, the United States has the second-largest voting power, after Nigeria.

⁵ See CRS Report R41170, *Multilateral Development Banks: Overview and Issues for Congress*, by Rebecca M. Nelson.

⁶ For example, Axel Dreher and Nathan M. Jensen, “Independent Actor or Agent? An Empirical Analysis of the Impact of U.S. Interests on International Monetary Fund Conditions,” *Journal of Law and Economics*, vol. 50 (2007), pp. 105-124; Christopher Kilby, “Informal Influence in the Asian Development Bank,” *Review of International Organizations*, vol. 6 (2011), pp. 223-257; Erasmus Kersting, and Christopher Kilby, “Do Domestic Politics Shape U.S. Influence in the World Bank?,” *Review of International Organizations*, vol. 16 (2021), pp. 29-58; Richard Clark and Lindsay R. Dolan, “Pleasing the Principal: U.S. Influence in World Bank Policymaking,” *American Journal of Political Science*, vol. 65 (January 2021), pp. 36-51; Thomas Barnebeck et al., “On US Politics and IMF Lending,” *European Economic Review*, vol. 50 (2006), pp. 1843-1862.

The Republic of China (ROC) joined the IMF and the World Bank as a founding member in 1945 (**Figure 1**). Four years later, in 1949, the Communist Party of China (CPC) defeated ROC forces on mainland China and proclaimed the establishment of the PRC. The ROC's ruling party, the Kuomintang (KMT), retreated to Taiwan and moved the seat of the ROC government there. Like the United States, the IMF and the World Bank continued to recognize the ROC as the legitimate representative of China for many years.

In December 1978, the United States recognized the PRC as “the sole legal Government of China” and terminated diplomatic relations with the ROC on January 1, 1979.⁷ The United States maintains unofficial relations with Taiwan pursuant to the 1979 Taiwan Relations Act (P.L. 96-8; 22 U.S.C. §§3301 et seq.)

In 1980, following years of negotiations, the IMF and the World Bank recognized the PRC as the official representative of China.⁸ The ROC is not a member of the IMF or the World Bank.

The PRC joined the regional development banks in the following years: the AfDB in 1985, the AsDB in 1986, the IDB in 2009, and the EBRD in 2016. The PRC also led the creation of a new multilateral development bank, the Asian Infrastructure Investment Bank (AIIB), in 2016.⁹ The United States is not a member of the AIIB.¹⁰

Figure 1. IFI Membership: U.S. and China



Source: Created by CRS using IFI membership data.

Taiwan and the IFIs

Taiwan (which continues to call itself the ROC) is a self-governing East Asian democracy located across the Taiwan Strait from mainland China. The PRC has never controlled Taiwan but claims sovereignty over it. In 1971 UN General Assembly (UNGA) Resolution 2758 (XXVI) recognized representatives of the PRC as “the only legitimate representatives of China to the United Nations” and expelled “the representatives of Chiang Kai-shek,” the ROC’s then-president. Taiwan, whose economy is similar in size to Poland, is not a member of the IMF or the

⁷ *Joint Communique of the United States of America and the People’s Republic of China* (Normalization Communique), December 15, 1978.

⁸ The United Nations began recognizing the PRC as the legitimate representative of China in 1971, nine years before the IMF and the World Bank. James M. Boughton, “Chapter 19: Towards Universal Membership,” in *Silent Revolution* (Washington, DC: International Monetary Fund, 2009).

⁹ For more, see CRS In Focus IF10154, *Asian Infrastructure Investment Bank*, by Martin A. Weiss.

¹⁰ When China was working to create the AIIB, Treasury officials expressed concerns about AIIB governance and the relationship to existing MDBs. For example, see Jane Perlez, “U.S. Opposing China’s Answer to World Bank,” *New York Times*, October 9, 2014.

World Bank. In datasets, the IMF and the World Bank refer to it as the “Taiwan Province of China” and “Taiwan, China,” respectively.

Taiwan has been a member of the AsDB since the organization was founded in 1966. When the PRC joined the AsDB in 1986, the AsDB changed Taiwan’s official designation to “Taipei, China.” ROC officials objected, and continue to object, to this designation.¹¹

As part of its effort to pressure Taiwan to accept unification, the PRC has spent decades seeking to isolate Taiwan internationally. The Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act of 2019 (P.L. 116-135) instructs representatives of the U.S. government in international organizations, in which statehood is not a requirement and in which the United States is a participant, to use the voice, vote, and influence of the United States to advocate for Taiwan’s membership or observer status. In 2025, Congress passed, and the President signed, legislation supporting the admission of Taiwan as a member of the IMF, if Taiwan would like to join.¹²

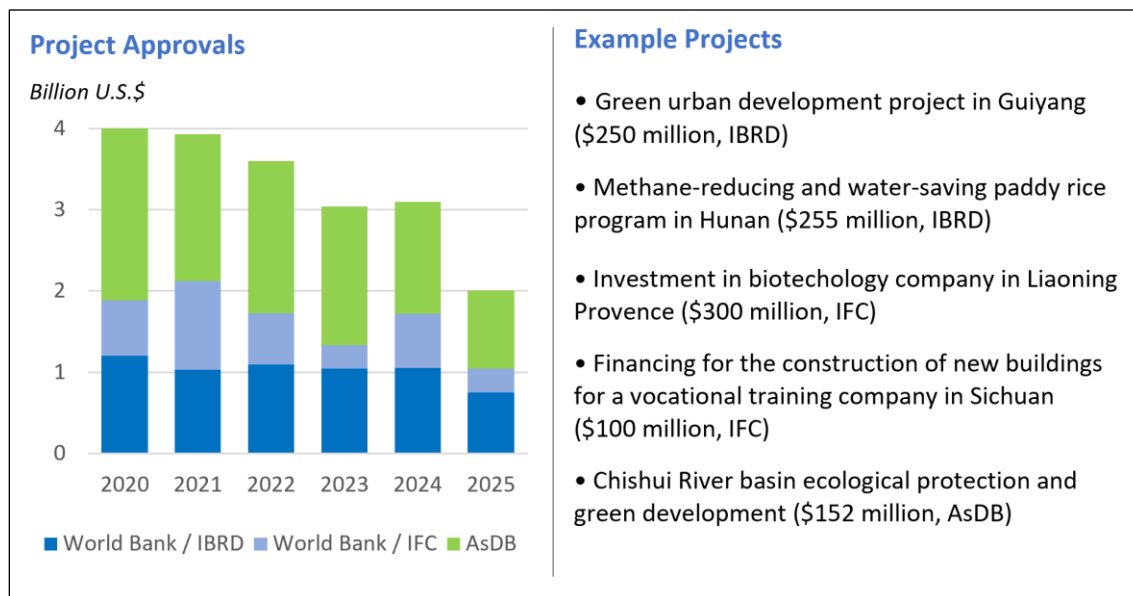
In the 119th Congress, legislation has been introduced to amend the TAIPEI Act of 2019 by adding that U.S. representatives at international institutions should oppose any attempts by the PRC “to resolve Taiwan’s status by distorting the decisions, language, policies, or procedures of the organization” (H.R. 2416 and S. 2224).

For more information on Taiwan, see CRS In Focus IF12646, *Taiwan and the International Community*, by Susan V. Lawrence, and CRS In Focus IF10275, *Taiwan: Background and U.S. Relations*, by Susan V. Lawrence.

China as a Recipient of Development Assistance

The World Bank and the AsDB regularly fund development projects in China; between 2020 and 2025, the World Bank and the AsDB extended more than \$17 billion in financing to the PRC government and PRC firms (**Figure 2**). The amount per year has declined by more than half from 2020 to 2025, from \$4.3 billion to \$2 billion. In 2025, China accounted for less than 3% of World Bank and AsDB financing.

Figure 2. World Bank and AsDB Financing in China, 2020-2025



Source: Created by CRS using World Bank, International Finance Corporation (IFC), and AsDB project data.

¹¹ For example, see “China to Get ADB Membership,” *Washington Post*, November 30, 1985 and “Finance Minister Protests Name Taiwan has had at ADB Since 1986,” *Focus Taiwan*, May 5, 2026.

¹² The Taiwan Non-Discrimination Act of 2025 (Title LXXXIII, Subtitle A of P.L. 119-60).

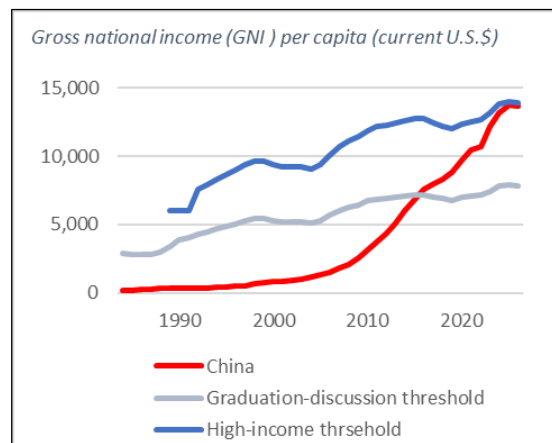
Notes: The International Bank for Reconstruction and Development (IBRD) is the World Bank’s main lending facility, and it provides market-based financing to middle- and some low-income countries. The IFC is part of the World Bank Group and provides financing to private-sector firms in developing countries.

At least two major objections are raised about MDB financing to China. First, China has its own financial resources, including \$3.5 trillion in foreign exchange, that it could use to fund domestic development projects.¹³ This is the largest reserve holdings of any country in the world—no other government has similar resources available. PRC reserves also exceed the total financial resources committed to the core IMF and World Bank lending facilities combined.¹⁴ China itself is a major source of financing for developing countries, such as through the One Belt, One Road Initiative and the AIIB (of which China is the largest financial contributor).¹⁵

Second, since 2016, China’s level of economic development (as measured by a country’s gross national income per capita) has annually exceeded the World Bank’s threshold for initiating discussions about “graduating” from financial assistance (Figure 3). (The AsDB also uses the World Bank’s threshold.) The gap between the graduation threshold and China’s level of economic development has grown over the past decade, and in 2025, China nearly met the threshold for classification as a high-income country.

A 2018 agreement among World Bank members limits financing for countries above the graduation-discussion threshold, while reaffirming that the ultimate decision to graduate is made by the borrowing country.¹⁶ In 2021, Congress enacted legislation that directs U.S. representatives at the IBRD to pursue the expeditious graduation of China from the IBRD (Section 9723 of P.L. 116-283); this provision sunsets after seven years. China has not indicated that it is considering graduation from the World Bank or the AsDB assistance, and it remains eligible to borrow resources.¹⁷ In a May 2026 report to Congress, the Department of State noted that it is working to address China’s “inappropriate” designation as a

Figure 3. China and World Bank Graduation



Source: Created by CRS using data from the World Bank.

¹³ World Bank, *World Development Indicators* Database, accessed May 21, 2026.

¹⁴ Financial commitments to the International Bank for Reconstruction and Development (IBRD), the nonconcessional lending facility of the World Bank, total \$307 billion. Financial commitments to the IMF General Resource Account (GRA) total about \$960 billion. Source: International Bank for Reconstruction and Development, *Management’s Discussion & Analysis and Financial Statements*, June 30, 2023; IMF, *Weekly Report on Key Financial Statistics*, February 23, 2024.

¹⁵ Bradley C. Parks et al., *Chasing China: Learning to Play by Beijing’s Global Lending Rules*, AidData at William & Mary, November 2025.

¹⁶ Scott Morris and Gailyn Portelance, “Examining World Bank Lending to China: Graduation or Modulation?,” Center for Global Development Policy Paper 135, January 2019; World Bank Group, *Sustainable Financing for Sustainable Development: World Bank Group Capital Package Proposal*, April 2018.

¹⁷ China has announced its intention to forego the benefits it gets from its developing country status at the World Trade Organization (WTO), but its designation at the WTO is not related to eligibility for MDB financing. Olivia Le Poidevin, “China to Forego Special and Differential Treatment in Future WTO Negotiations,” Reuters, September 23, 2025. For more on the WTO, see CRS In Focus IF10002, *World Trade Organization*, by Cathleen D. Cimino-Isaacs.

developing country, including through actions to restrict or eliminate China’s ability to access international financing to which the United States is a contributor.¹⁸

PRC officials have generally characterized their borrowing from the MDBs as a useful way to adopt project-level standards and gain access to expertise across a range of sectors in support of development goals.¹⁹ Additionally, poverty remains a problem in China; despite rapid economic growth over the past two decades, more than 300 million people in China (roughly one in five people in China) are living on less than \$8.30 a day.²⁰ If the MDBs are in a position to help address poverty in China, some policymakers might argue that lending to China is consistent with the economic development mission of these institutions, even if the government could be paying for these efforts.

MDB projects also transfer knowledge and institutional expertise, which China can adopt in development projects it self-finances.²¹ Additionally, while China limits access to information about its economy,²² the multiyear lifecycle of proposing, approving, implementing, and evaluating a MDB project in China may provide insights to other MDB members, including the United States, into China’s economy that otherwise would be unavailable.

The World Bank and AsDB earn interest on their loans to developing countries—including China—which they use to pay for administrative expenses.²³ If there is sufficient demand from other development countries for MDB financing, however, the MDBs could pivot away from projects in China and still earn the interest needed to cover their expenses.

China’s Representation at the IFIs

Member countries make decisions at the IFIs, including the approval of new projects and major policy changes, by voting. A member’s voting share has traditionally reflected the size of its economy. In practice, voting shares at the IFIs have proven difficult to change and are slow to reflect major shifts in the global economy. In 2000, China’s economy accounted for 3.6% of global GDP; by 2024, its share had increased about five times to 17.7% (**Figure 4**).²⁴ China’s voting share at the IFIs has not reflected this shift. China’s dissatisfaction with its voting share

¹⁸ State Department, “Report to Congress: Update on the People’s Republic of China’s Status as a Developing Nation,” May 2026, <https://www.state.gov/update-on-the-prcs-status-as-a-developing-nation/>. U.S. Congress, House Appropriations Committee, *State, Foreign Operations, and Related Programs Appropriations Bill, 2024*, report to accompany H.R. 4665, 118th Cong., July 17, 2023, H.Rept. 118-145 (Washington: GPO, 2023), p. 132.

¹⁹ See, for example, Scott Morris, “China Borrows a Lot of Money from the World Bank, and That’s Okay,” Center for Global Development, January 31, 2018.

²⁰ 2022 data (latest available). World Bank, *World Development Indicators* Database, accessed May 14, 2026.

²¹ Yukon Huang, “Why is the World Bank Still Lending to China?,” Carnegie Endowment for International Peace, January 15, 2020.

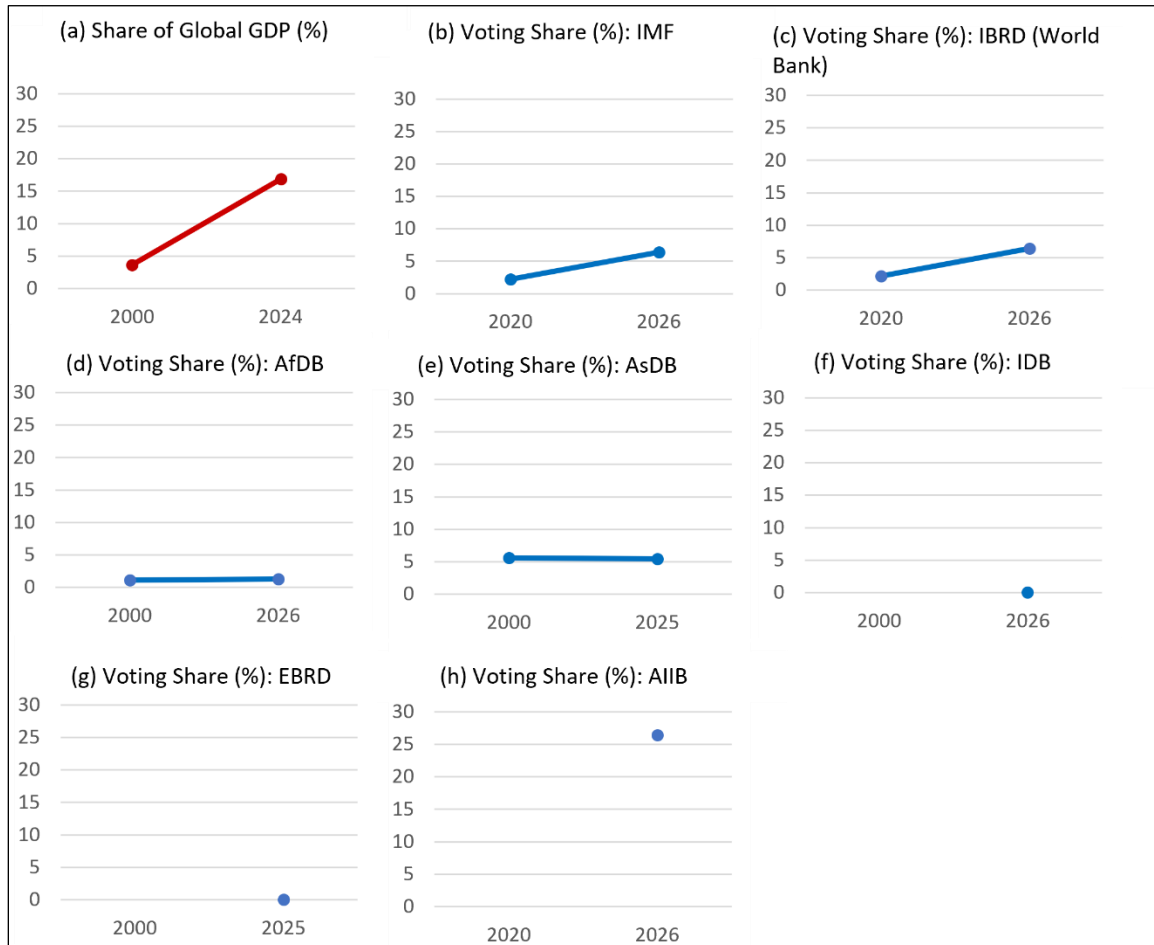
²² For example, Lingling Wei et al., “China Locks Information on the Country Inside a Black Box,” *Wall Street Journal*, April 30, 2023; Lingling Wei, “U.S. Think Tank Reports Prompted Beijing to Put a Lid on Chinese Data,” *Wall Street Journal*, May 7, 2023; Howard W. French, “China is Closing in on Itself,” *Foreign Policy*, August 30, 2023; Liza Lin and Chun Han Wong, “China Increasing Obscures Trust State of Its Economy to Outsiders,” *Wall Street Journal*, December 6, 2021.

²³ Charles Kenny, “Is China Unfairly (Dis)Favored at the World Bank?,” Center for Global Development, June 23, 2025.

²⁴ GDP measured in current U.S. dollars and is for illustrative purposes. Different GDP measures will yield different estimates.

has persisted for years; it is widely credited as a factor motivating China’s creation of the AIIB, where China’s voting share at 26.4% is the largest of member countries.²⁵

Figure 4. China’s Economic Rise and Static Voting Power at the IFIs



Source: Created by CRS using IFI annual reports, financial statements, and websites, and the World Bank’s *World Development Indicators Database*.

Notes: China was not a member of the IDB or the EBRD in 2000, and the AIIB was not in existence in 2000. GDP measured in current U.S. dollars.

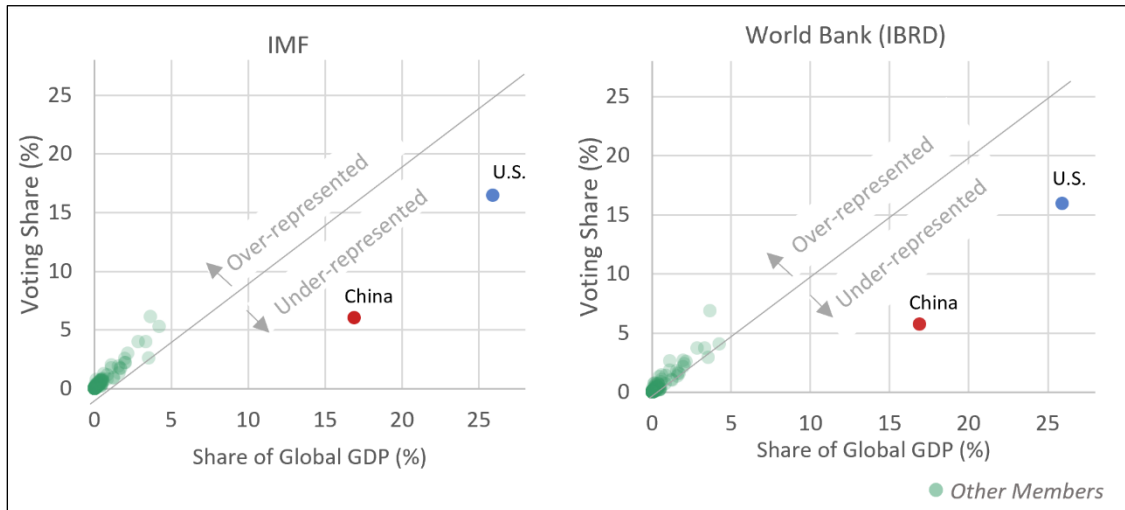
Voting reforms at the IMF and World Bank following the global financial crisis of 2008-2009, while modest, did result in China becoming the third-largest member by voting share, after the United States and Japan. Even with the reforms, China has the largest difference between its share of global GDP and voting share of any IMF or World Bank member (**Figure 5**). By this metric, China has been sometimes described as “under-represented” at the IMF and the World Bank.²⁶ The United States is also underrepresented, but this has been by choice: the United States has

²⁵ See, for example, Victor Shih, *How China Would Like to Reshape International Economic Institutions*, Atlantic Council, October 17, 2022; Daniel C.K. Chow, “Why China Established the Asia Infrastructure Investment Bank,” Ohio State Public Law Working Paper No. 333, February 26, 2016. Data on AIIB voting shares accessed from the AIIB website on May 21, 2026.

²⁶ See, for example, Martin Mühleisen, Witness Statement for House Financial Services Committee hearing on “Examining Policies to Counter China,” February 25, 2025.

lowered its voting share over time in order to allow new countries to join, while reducing its financial commitment to the institutions and protecting veto power over major policy decisions.

Figure 5. Member Country Representation at the IMF and World Bank



Source: Created by CRS using World Bank and IMF annual reports and the World Bank’s *World Development Indicators Database*.

Notes: GDP data is for 2024 (latest available) and measured in current U.S. dollars. Data on voting shares is from 2025. For this graph, underrepresentation refers to voting share that is less than the share of global GDP. The International Bank for Reconstruction and Development (IBRD) is the World Bank’s nonconcessional lending facility.

The IFIs have taken some steps to increase China’s representation, including the appointment of more PRC citizens to senior leadership positions. In 2011, the IMF created a new position of Deputy Managing Director, which by custom has been held by a PRC citizen for more than a decade.²⁷ At the World Bank, the position of Managing Director and Chief Administrative Officer has been held by a PRC citizen since 2024. By way of comparison, U.S. citizens have by custom served as the President of the World Bank and the First Deputy Managing Director of the IMF since the institutions were founded. U.S. representatives to the IMF and World Bank Boards of Governors and Boards of Executive Directors are nominated by the President and confirmed by the Senate. As of June 10, 2026, no presidentially nominated and Senate-confirmed officials are serving in these positions. These vacancies are filled by civil servants from the Department of the Treasury in an acting capacity (see **text box** at the end of this section).

One of the main arguments for increasing China’s voting share at the IFIs is promoting the legitimacy of the institutions. Experts have long maintained that the legitimacy of the IFIs is tied to fair representation of member governments, and that the legitimacy of the IFIs is critical to their effectiveness.²⁸ If the IFIs are perceived by developing countries as overly dominated by the

²⁷ Alan Beattie, “China Given Key IMF Role under Lagarde,” *Financial Times*, July 12, 2011. This position is currently held by Bo Li, who previously served as Deputy Governor of the People’s Bank of China, China’s central bank.

²⁸ See, for example, Ngaire Woods, “The Challenge of Good Governance for the IMF and the World Bank Themselves,” *World Development*, vol. 28 (2000), pp. 823-841; Jason Hickel, “Apartheid in the World Bank and the IMF,” *Al Jazeera*, November 16, 2020; Amin Mohseni-Cheraghlou, “Democratic Challenges at Bretton Woods Institutions,” *Atlantic Council*, April 11, 2022.

United States and/or Western countries, developing countries may be less likely to turn to the IFIs for financial assistance or adopt IFI policy recommendations.²⁹

A second argument for increasing China's voting share is that it creates an opportunity to raise additional funding for the IFIs. Voting reform at the IFIs usually occurs in the context of a decision by the membership to increase IFI resources. China has demonstrated its willingness to increase its financial commitments to the parts of the IFIs where it has been permitted to do so—that is, where higher contributions have minimal or no impact on formal voting power.³⁰ Enabling China to boost its contributions to core IFI resources, thereby increasing China's voting power, could be an opportunity to raise IFI lending capacity.

At the same time, China has engaged in a number of actions at the IFIs that contradict U.S. priorities and interests and may affect institutions' impartiality. Some policymakers may be reluctant to increase China's ability to advance such policies. For example, over the past decade, PRC officials have reportedly pressured employees of the World Bank from Taiwan to obtain PRC passports,³¹ blocked the publication of a World Bank report recommending reform of its state-owned enterprises (SOEs),³² and pressured World Bank officials to improve China's country rating in a key World Bank publication.³³ In 2019, China faced allegations that it improperly used World Bank funding for vocational schools in the Xinjiang Uyghur Autonomous Region to purchase security equipment for Uyghur internment camps.³⁴ In 2023, the AIIB's global communications director, a Canadian citizen, resigned from the AIIB, alleging that the organization is "dominated" by the CPC.³⁵ The Canadian government subsequently announced that it is reviewing its engagement with the AIIB and its participation has been indefinitely suspended.³⁶

²⁹ See, for example, Editorial Board, "A Test for the IMF's Legitimacy," *Financial Times*, October 9, 2023.

³⁰ At the IMF, China is the third-largest member of about 40 members that supplement IMF core resources (called quota). China's commitment of about \$63 billion in supplemental funds, in addition to its about \$40 billion in financial commitments to core resources, have no impact on China's voting share at the IMF. At the MDBs, China has increased its contributions to nonconcessional lending facilities (which provide grants and low-cost loans to the world's poorest countries). For example, China's contributions to the World Bank's nonconcessional lending facility—the International Development Association (IDA)—have grown from 0.10% in 15th replenishment of IDA resources (negotiated in 2007) to 3.84% in the 20th replenishment of IDA (negotiated in 2021). Negotiations for the 21st IDA replenishment are ongoing. Depending on the MDB, member contributions to nonconcessional lending facilities either have limited or no impact on its voting share.

³¹ Bethany Allen-Ebrahimian, "The World Bank told Taiwanese Staff to Get Chinese Passports," *Axios*, December 13, 2019; Bethany Allen-Ebrahimian "World Bank Changes Hiring Rules after asking Taiwan Staff to Get Chinese Passports," *Axios*, January 9, 2020; Dan Friedman and Dan Spinelli, "'They Left Me with No Choice': How a World Bank Rule Hurt Taiwanese Workers," *Mother Jones*, November 21, 2019.

³² Anna Fifield, "China is Blocking Joint World Bank Report that Calls for State-Owned Enterprise Reform," *Washington Post*, March 1, 2019.

³³ Wilmer Hale (submitted by Ronald C. Machen et al.), *Investigation of Data Irregularities in Doing Business 2018 and Doing Business 2020: Investigation Findings and Report to the Board of Executive Directors*, September 15, 2021.

³⁴ Alan Rappeport, "World Bank Scales Back Project in China's Xinjian Region," *New York Times*, November 11, 2019; Bethany Allen-Ebrahimian, "The World Bank Was Warned about Funding Repression in Xinjiang," *Foreign Policy*, August 27, 2019.

³⁵ The Economist, "The AIIB's Former Communications Chief on Why He Blew the Whistle," August 17, 2023; Laurie Chen, "Ex-AIIB Comms Chief Says Was Advised to Flee China after Fiery Resignation," Reuters, June 15, 2023.

³⁶ Trade Commissioner Service of the Government of Canada, "Asian Infrastructure Investment Bank," accessed June 2, 2026.

Additionally, China has taken unilateral actions that counteract U.S. and MDB priorities.³⁷ For example, China’s atypical bilateral lending practices have sought to advantage its loans over multilateral and bilateral creditors through confidentiality clauses and creditor-controlled off-shore collateral accounts.³⁸ PRC creditors have also blocked some debt restructuring efforts for developing countries—with adverse ramifications for both the affected governments and the IFIs.³⁹

U.S. Representatives to the IMF and the World Bank

Each IFI has a Board of Governors and a Board of Executive Directors. The Board of Governors is the highest decisionmaking authority of the IFI, and it typically meets once or twice a year. Each country is represented on the Board of Governors; by convention, this representative is usually its finance minister or head of the central bank. The Board of Governors delegates day-to-day authority over operational policy, lending, and other matters to the Board of Directors. There are usually about two dozen Executive Directors, depending on the IFI. The members with the largest voting shares, including the United States, appoint their own Executive Director. Groups of countries elect the other Executive Directors.

U.S. Governors, Alternate Governors, Executive Directors, and Alternate Executive Directors to the IFIs are nominated by the President and confirmed by the Senate. As of June 10, 2026, there are no presidentially nominated and Senate-confirmed U.S. representatives to the IMF or the World Bank. For some positions, the President has submitted nominations for Senate consideration; in other instances, the President has not submitted nominees to the Senate. Some positions have not been filled by a presidential appointee in more than a decade (**Figure 6**). There are also vacancies at the regional MDBs.

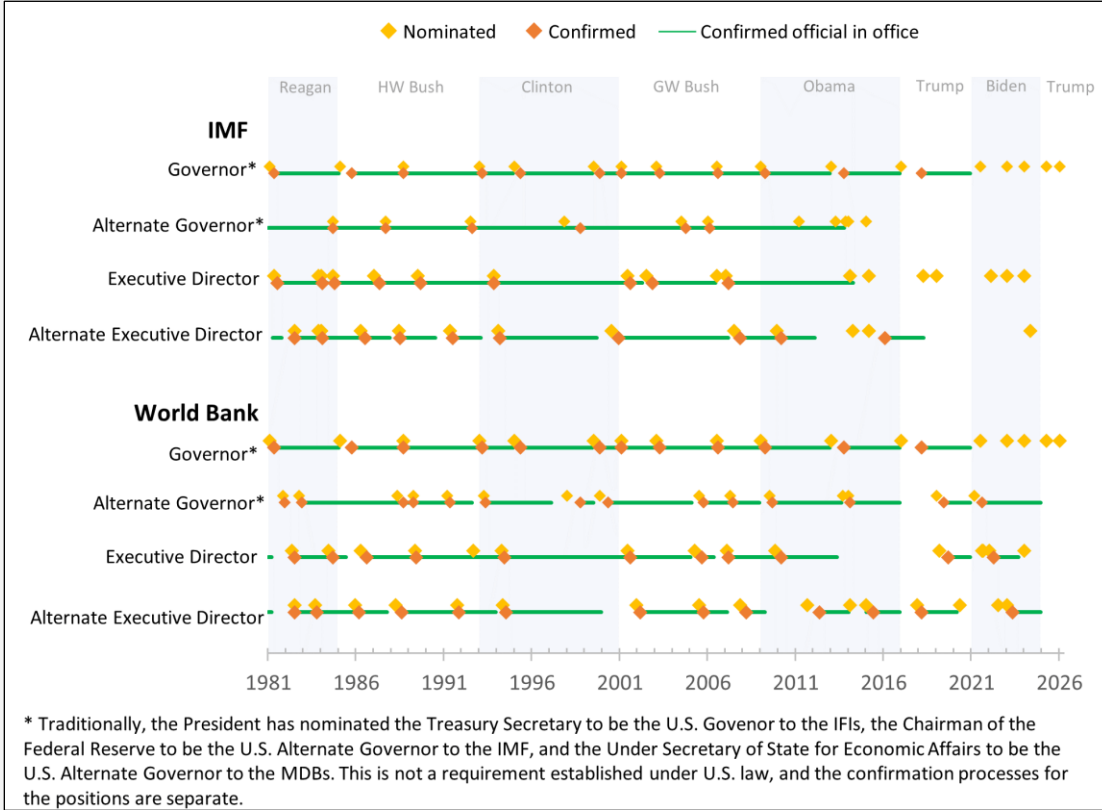
Treasury civil servants fill vacancies in an acting capacity, but it is not clear they have the same gravitas in international negotiations as confirmed officials. For example, traditionally the President has nominated and the Senate has confirmed the Treasury Secretary as the U.S. Governor to the IMF, the World Bank, and the regional development banks.

³⁷ See, for example, U.S. Department of Treasury, *Report to Congress from the Chairman of the National Advisory Council on International Monetary and Financial Policies*, June 2023.

³⁸ Sebastian Horn, Carmen M. Reinhart, and Christoph Trebesch, “China’s Overseas Lending,” *Journal of International Economics*, vol. 133 (November 2021); Anna Gelpern et al., *How China Lends: A Rare Look into 100 Debt Contracts with Foreign Governments*, Peterson Institute for International Economics, Kiel Institute for the World Economy, Center for Global Development, and AidData at William & Mary, March 31, 2021.

³⁹ The Economist, “The IMF Faces a Nightmarish Identity Crisis,” April 4, 2023; Gregory Makoff et al., “Sovereign Debt Restructuring with China at the Table: Forward Progress but Lost Decade Risk Remains,” Harvard Kennedy School, M-RCBG Associate Working Paper Series No. 248, January 2025.

Figure 6. U.S. Representatives to the IMF and the World Bank



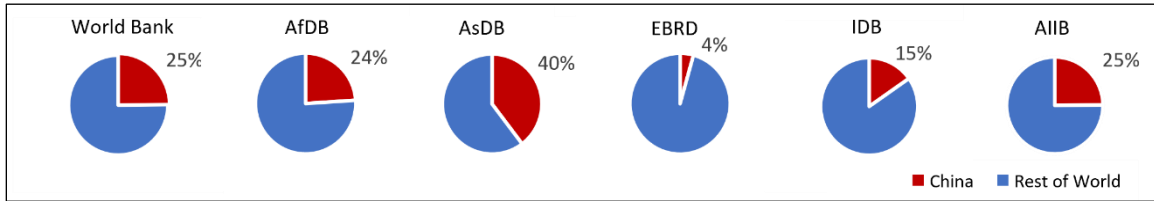
Source: Created by CRS using data from <http://www.congress.gov>, IMF and World Bank annual reports, the Treasury Department, the Federal Reserve, the State Department, and LinkedIn.

PRC Firms and MDB Procurement

The MDBs have procurement processes in which companies from around the world bid on contracts to provide the services, goods, and civil works (infrastructure and engineering projects such as roads, bridges, and water systems) needed to carry out MDB-financed development projects. In recent years, PRC firms won about 20% (\$3.9 billion) of the civil works contracts awarded by the MDBs.⁴⁰ The proportion varies across MDBs, ranging from 40% awarded by the AsDB to 4% by the EBRD (Figure 7).

⁴⁰ Based on most recent data available—2025 data for the World Bank, the AfDB, and the AsDB and 2024 data for the EBRD and the IDB.

Figure 7. MDB Civil Works Contracts: Awards by Firm Nationality
 % of contracts (by value)



Source: Created by CRS using MDB procurement data.

Notes: 2025 data for the World Bank, the AfDB, and the AsDB; 2024 data for the EBRD, the IDB, and the AIIB (latest available).

One potential concern about the share of MDB civil works contracts awarded to PRC firms relates to MDB procurement policies.⁴¹ While the policies limit the ability of SOEs to bid on contracts in their home country, there are no similar restrictions for SOEs bidding on contracts outside their home country.⁴² SOEs generally have lower costs than private companies due to explicit and/or implicit government subsidies for SOEs. This may raise questions about whether private companies can compete fairly with SOEs when bidding on MDB contracts. This issue is particularly relevant with China, because the PRC companies awarded MDB civil works contracts are generally state-owned enterprises (SOEs).⁴³ In other contexts, including trade negotiations, a U.S. priority has been ensuring that U.S. companies and workers can compete on fair terms with foreign SOEs.⁴⁴

At the same time, there is a potential benefit to awarding MDB contracts to SOEs: cost savings. MDB contracts are awarded through an international competitive bidding process. To the extent that SOEs have lower production costs due to government subsidies, MDB projects are less expensive than they would otherwise be. All else equal, this is a direct benefit to the borrowing country and allows MDBs to finance more projects with the same lending capacity.

A second concern could include the number of PRC firms and individuals that have been found to have engaged in fraud, corruption, or similar activities in MDB contracts. In such instances, the companies and individuals are ineligible to bid on MDB-financed contracts indefinitely or over a finite time period, depending on the infraction. As of June 8, 2026, the World Bank has debarred more than 1,460 companies and individuals, of which 381 (26%) were from the PRC, followed by Vietnam (4.7%) and Nigeria (3.8%).⁴⁵

⁴¹ DJ Nordquist, “China is Using the World Bank as its Piggybank,” *The Hill*, May 17, 2023.

⁴² See, for example, World Bank, *Procurement in Investment Project Financing: Goods, Works, Non-Consulting and Consulting Services*, Fifth Edition, September 2023; African Development Bank, *Procurement Policy for Bank Group Funded Operations*, August 2015; Asian Development Bank, *Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services*, 2017; Asian Development Bank, *State-Owned Enterprises: Guidance Note on Procurement*, June 2018.

⁴³ For example, the top five Chinese firms winning World Bank civil works contracts in 2025 (by value) are all state-owned (China Civil Engineering Construction Corporation, Sichuan Road and Bridge Corporation, TBEA Engineering, China Communications Construction Company, and China Railway Construction Engineering).

⁴⁴ For example, the U.S.-Mexico-Canada Agreement (USMCA), which in 2020 replaced the North American Free Trade Agreement (NAFTA), includes new provisions on SOEs. For more information, see CRS In Focus IF10997, *U.S.-Mexico-Canada (USMCA) Trade Agreement*, by M. Angeles Villarreal, Kyla H. Kitamura, and Danielle M. Trachtenberg.

⁴⁵ World Bank, *World Bank Listing of Ineligible Firms and Individuals*, accessed June 8, 2026.

For example, the World Bank debarred Xinjiang Xiaohaizi Water Conservancy Construction and Installation Engineering Co. in April 2025 for 15 months, because the company failed to obtain the requisite prior approval to subcontract a substantial part of its contract to a third party.⁴⁶ That same month, the World Bank also debarred Guangdong Dianbai Second Construction Group Co. for 18 months, because the company failed to provide requested materials to the World Bank about the project, thereby impeding the Bank’s audit rights.⁴⁷ In October 2025, the AfDB debarred Hangzhou Fuchuan Electric Equipment Co. for 36 months for preparing falsified manufacturers’ authorizations during the tender process.⁴⁸

The relatively high number of PRC-firm debarments might reflect the high volume of MDB projects carried out by PRC firms. Additionally, it might reflect common corporate structures in China. PRC companies have extensive affiliate and subsidiary networks, and the debarment list includes entities that are controlled by debarred firms as separate line items. At the same time, the number of cases may raise concerns about awarding MDB contracts to firms from a country where many firms have previously been found to violate MDB procurement policies.

Selected Policy Options for Congress

Congress has a number of tools for shaping U.S. policy at the IFIs, should it choose to do so. Examples include hearings with administration officials and policy experts, letters to key Treasury Department and IFI officials, legislation requiring reports from the administration on IFI policies and congressional priorities, legislation that directs U.S. representatives to the IFIs to advocate and vote for or against specific policy issues (called “voice and vote” mandates), and increasing or decreasing authorizations of appropriations for U.S. financial contributions to the IFIs.

Regarding China’s role in the IFIs, Congress has taken a number of actions in recent years. For example, Congress has directed U.S. representatives to the World Bank to advocate for the graduation of China from World Bank financial assistance.⁴⁹ During the 119th Congress, congressional committees have collected testimony from policy experts and the Administration about China’s role in the IFIs,⁵⁰ and during the 118th Congress, Members wrote letters to Biden Administration officials urging stronger action to ensure that China adheres to its responsibilities under IFI agreements.⁵¹

In the 119th Congress, some Members of Congress have introduced legislation that would, for example, direct U.S. representatives at the MDBs to oppose financial assistance to China (S.

⁴⁶ World Bank, “World Bank Group Announces Settlement with Xinjiang Xiaohaizi Water Conservancy Construction and Installation Engineering Co.,” press release, April 16, 2025.

⁴⁷ World Bank, “Notice of Uncontested Sanctions Proceedings, Sanctions Case No. 784, IBRD Loan Number 8249-CN (China Guangxi Laibin Water Environment Project),” April 22, 2025.

⁴⁸ African Development Bank, “African Development Bank Debars Hangzhou Fuchuan Electric Equipment Co., Ltd for 36 months for Fraudulent Practice,” press release, October 27, 2025.

⁴⁹ Section 9723 of P.L. 116-283.

⁵⁰ See, for example, U.S. Congress, Senate Foreign Relations Committee, *The Malign Influence of the People’s Republic of China at Home and Abroad: Recommendations for Policy Makers*, 119th Cong., 1st sess., January 30, 2025; U.S. Congress, House Financial Services Committee, *Examining Policies to Counter China*, 119th Cong., 1st sess., February 26, 2025; and U.S. Congress, House Financial Services Committee, *The Annual Testimony of the Secretary of the Treasury on the State of the International Financial System*, 119th Cong., 1st sess., April 7, 2025.

⁵¹ Letter from James Comer, Chairman of the House Committee on Oversight and Accountability, to Janet Yellen, Treasury Secretary, July 18, 2021, <https://oversight.house.gov/wp-content/uploads/2024/07/Treasury-letter-China-071824.pdf>.

2362); direct U.S. representatives at the IDB to reduce the influence of China in the IDB's operations, activities, and projects (S. 2626); and direct U.S. representatives at the MDBs to push for greater transparency about MDB contracts awarded to SOEs (Section 217 of H.R. 3224).

If Members of Congress want to consider additional actions for shaping U.S. policy toward China at the IFIs, some options, focused on MDB lending to China, China's representation at the IFIs, and PRC-firms implementing MDB-funded projects in developing countries, are listed below:

MDB Loans to China

- Direct the Treasury Department to prepare a report assessing the potential implications of China's graduation from the MDBs, including for MDB revenue and the availability of financing for other developing countries.
- Direct the Treasury Department to assess the feasibility of new mechanisms by which the MDBs could provide policy advice on and oversight of member-funded development projects.
- During confirmation hearings for U.S. representatives to the IFIs, ask nominees about their views on MDB financing to China.
- Convene a hearing with policy experts and stakeholders (such as the business community and civil society groups) to assess the potential economic and political implications of China's graduation from MDB financial assistance.
- Condition new U.S. contributions to IFIs on China's graduation from MDB financial assistance.

China's Representation at the IFIs

- Convene a hearing with policy experts and stakeholder groups about the implications of the current governance structures at the IFIs, particularly relating to the effectiveness of the IFIs.
- Through letters or hearings, ask Treasury officials to clarify the current administration's position on the current status of IFI governance structures.
- Direct U.S. representatives to the IFIs to oppose or support efforts to realign voting shares at the IFIs.
- Establish benchmarks that China would need to meet in order for the United States to support a realignment of IFI voting shares.
- Require the Treasury Department to prepare an assessment of China's influence at the IFIs.
- Fill vacancies for U.S. representatives to the IFIs. Congress could, for example, request updates on the current administration's timeframe for submitting nominations for these positions and facilitate expeditious consideration of IFI nominations, and/or amend U.S. law to eliminate separate confirmation processes for the Treasury Secretary to serve as U.S. Governor to the IFIs, the Chairman of the Federal Reserve to serve as the Alternate Governor to the IMF, and the Under Secretary of Economic Affairs to serve as the Alternate Governor to the MDBs

MDB Procurement Policies regarding State-Owned Enterprises

- Direct the Treasury Department to assess the economic implications of MDB procurement policies regarding SOEs.

- Solicit feedback (e.g., through direct outreach, letters, and/or hearings) from the U.S. business community and civil society groups on the implications of MDB procurement policies for U.S. companies, U.S. workers, and developing countries.
- Direct U.S. representatives to the MDBs to request an independent evaluation of contracts fulfilled by SOEs.
- Condition new U.S. funding for the MDBs on the reform of MDB procurement policies regarding SOEs.
- Direct the U.S. representatives to the MDBs to use their “voice and vote” to advocate for an assessment of MDB anti-corruption policies and reform options.
- Increase funding, or direct the Commerce Department to devote more personnel, to MDB Liaison Offices, which advise U.S. companies on how to work with the MDBs and seek to increase the proportion of MDB projects won by U.S. firms.⁵²

Other

- Request an assessment from the Treasury Department on the possible benefits and drawbacks of IFI financing relative to PRC financing, and reforms that could improve the competitiveness of IFI financing while maintaining environmental, labor, and procurement standards.
- Direct U.S. representatives at the IFIs to use their voice and vote to request an analysis of IFI co-financing arrangements with the AIIB and/or China.

Author Information

Rebecca M. Nelson
Specialist in International Trade and Finance

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS’s institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

⁵² For more information, see the Department of Commerce International Trade Administration (ITA) website on “Doing Business with Multilateral Development Banks.”