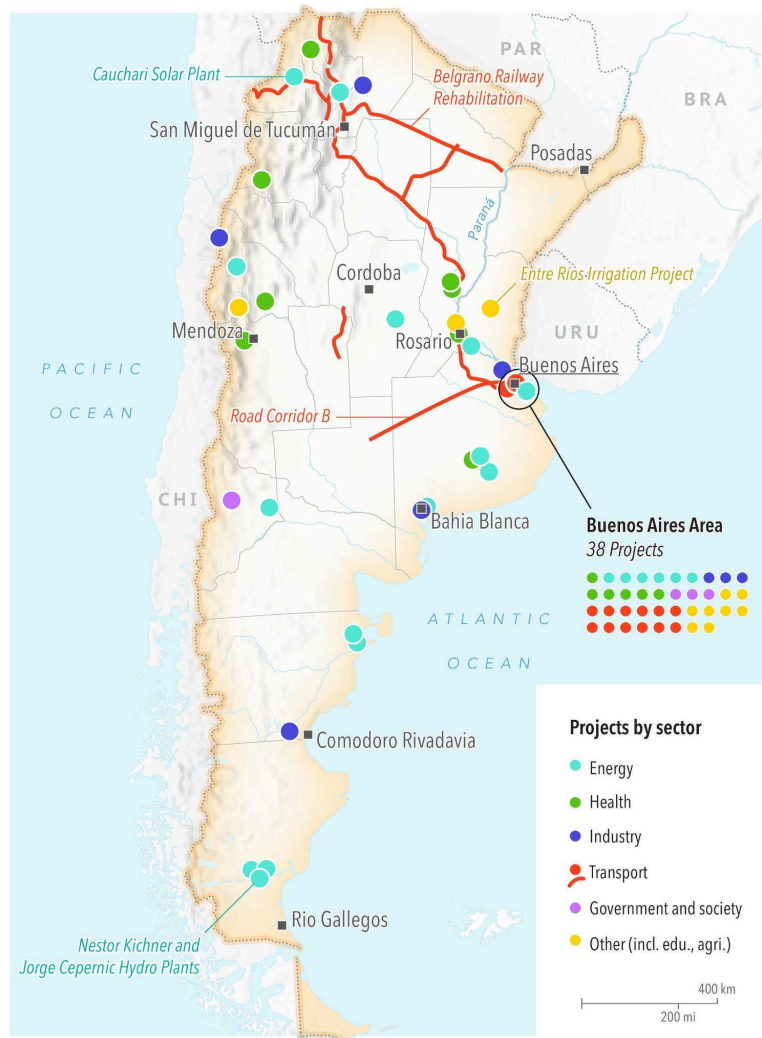


Argentina

The Scale, Scope, and Composition of Chinese Development Finance

October 2025



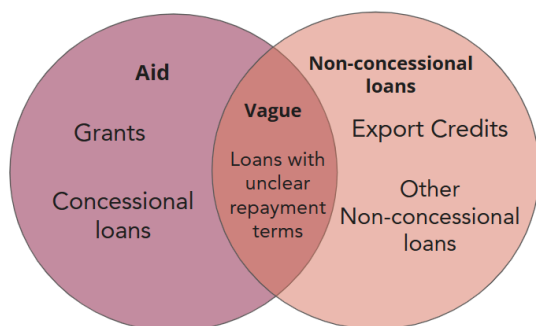
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Key concepts: aid, non-concessional loans, and vague flows

In this profile, China's official development finance portfolio is represented across three main categories: aid, non-concessional loans, and vague. Loans from Chinese state-owned entities can either qualify as aid or non-concessional loans, based on how their borrowing terms compare to regular market terms (i.e., the level of financial concessionality) and whether or not they have development intent (i.e., if the primary purpose of the financed project/activity is to improve economic development and welfare in the recipient country). Aid from Chinese state-owned entities includes grants, in-kind donations, and concessional loans with development intent. The "non-concessional loans" category captures loans from Chinese state-owned entities that are provided at or near market rates and those that primarily seek to promote the commercial interests of the country from which the financial transfer originated. An export credit is a specific type of loan issued by a Chinese state-owned bank or company that requires an overseas borrower to use the proceeds of a loan to acquire goods or services from a Chinese supplier. Export credits are not considered aid since they have a commercial rather than a development purpose. See Appendix B for more details.



Key concept: What is concessionality?

Concessionality is a measure of the generosity of a loan or the extent to which it is priced below-market rates. It varies from 0% to 100%, with higher values representing more concessional loans.

Non-concessional loans are those provided at or near market rates. The Organisation for Economic Co-operation and Development (OECD) determines which official sector financial flows constitute "aid" based on a grant element threshold for concessionality. Given that China does not report its loans or lending terms to the OECD, some of its official sector financial flows cannot be classified as "aid" or "non-concessional." In this report, such loans are assigned to the "vague" category.

Country overview: China's relationship with Argentina

South American countries that have joined the BRI

Argentina In BRI Not in BRI



Argentina and China's Belt and Road

Argentina is located along the 21st Century Maritime Silk Road component of the Belt and Road Initiative (BRI). After years of increasing cooperation, in February 2022, the two countries signed the "Memorandum of Understanding between the Government of the People's Republic of China and the Government of the Argentine Republic on Jointly Promoting the Construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road," officially marking Argentina's entry into the BRI.

Historic relationship

The Argentine Republic and the People's Republic of China have maintained a diplomatic bilateral relationship since 1972. This relationship became markedly closer in the late 2000s when Argentina's Justicialist Party entered government. The Justicialist party—under Presidents Eduardo Duhalde, Néstor Kirchner, Cristina Fernández de Kirchner—initiated further cooperation with China on issues such as energy, agriculture, and transportation.

Present-day relationship

China has become an indispensable—if sometimes uneasy—partner for Argentina. Beijing bankrolls Buenos Aires through a mix of large-scale credit lines, central bank currency swaps, and project finance, giving Argentina a vital buffer during recurring balance of payments crises. China has also become a leading market for Argentina's agricultural, industrial, and mineral exports—anchored by soybeans, chemical products, and lithium. Chinese investment in Patagonia, Argentina's remote southern region bordering Antarctica, provides platforms for space and polar research, underscoring the strategic dimension of the partnership. These ties have helped Argentina negotiate with greater leverage at the IMF and sustain access to hard currency at moments when Western lenders turned away.

Yet the partnership is also politically charged. Beijing's expanding role has stirred governance concerns and sharpened domestic debates about sovereignty, transparency, and foreign influence. The controversy has become especially acute around Chinese-financed hydroelectric projects in the south and lithium mining ventures in the north, which raise both environmental and geopolitical sensitivities. Against this backdrop, President Javier Milei won office on a platform that lambasted ties with China, even as Argentina's dependence on Chinese credit and trade has only deepened. The result is a paradox that defines Argentina's current posture: locked into a relationship it cannot easily unwind, while struggling to reconcile the economic benefits of Chinese finance with the political costs of closer alignment.

Overview: Chinese development finance in Argentina from 2000-2022

\$38.6 billion

in grants and loans provided by official sector donors and lenders from China.

99.5%

of Chinese development finance is provided via loans.

78

grants, technical assistance, and training activities offered.

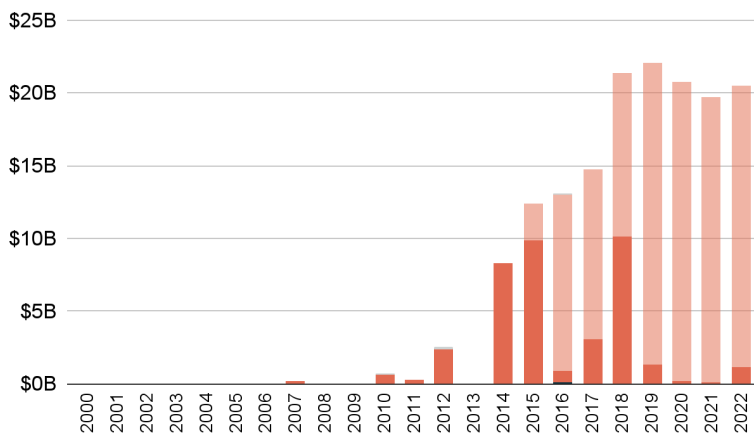
3rd

largest recipient of Chinese aid and credit in the Americas.

88%

of China's infrastructure portfolio has significant ESG risk exposure.

Official sector financial commitments from China to Argentina, 2000-2022



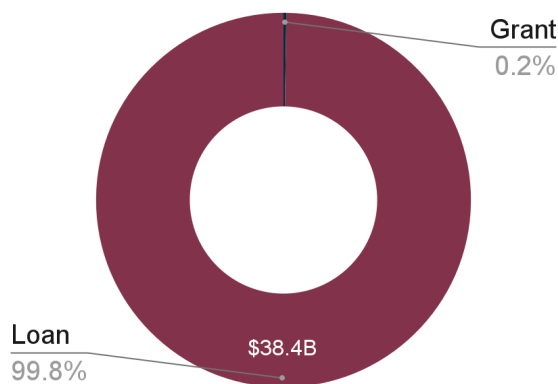
Aid: any grants, concessional loans, or in-kind donations.

Non-concessional loans: commercial lending, export credits, and non-rollover emergency loans.

Non-concessional loans - rollover: emergency short-term rollover loans used to repay earlier debt.

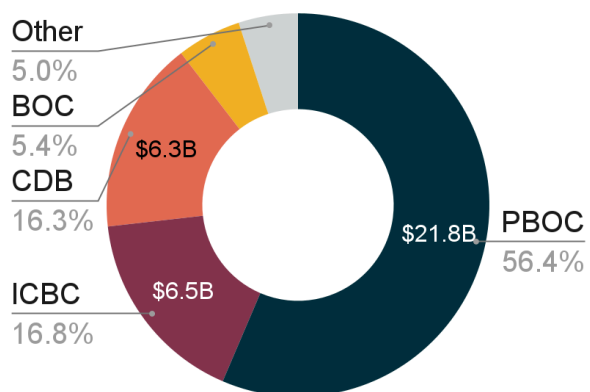
Vague: funding that cannot be easily classified—usually loans with unknown borrowing terms.

Portfolio by type of finance



Loans include concessional and non-concessional loans.

Portfolio by funder



PBOC: People's Bank of China; ICBC: Industrial and Commercial Bank of China; CDB: China Development Bank; BOC: Bank of China

Section 1: China's development finance portfolio

Argentina joined China's Belt and Road Initiative (BRI) in 2022, though China had already become a major lender prior to Argentina's formal accession (see Figure 1.1). China is Argentina's second-largest trading partner and its largest bilateral creditor. In 2023, Javier Milei was elected President on a strong anti-China platform but has since adopted a more pragmatic stance to address Argentina's economic challenges.

Despite Milei's sharp anti-China rhetoric during the campaign, Argentina's economic stability remains deeply tied to China. Argentina is currently the second-largest recipient of China's emergency rescue lending, surpassed only by Pakistan. Emergency rescue loans are provided by Chinese state-owned entities to government borrowing institutions in low-income and middle-income countries for at least one of the following purposes: (1) repaying existing debts, (2) financing general public expenditures, or (3) shoring up foreign exchange reserves. There are different varieties of emergency rescue loans, including currency swap borrowings, liquidity support facilities, foreign currency term financing facility agreements, deposit loans, and commodity prepayment facilities.¹ In Argentina, China provides emergency rescue loans exclusively through a PBOC currency swap borrowing mechanism.

What is the role of currency swap drawdowns in China and Argentina's relationship?

Under a bilateral currency swap agreement, the central banks of two countries agree to exchange cash in their national currencies at predetermined interest rates for a period of time. The bank that draws down on the swap line (Argentina's central bank) becomes the borrower and the other bank, PBOC, becomes the lender; thus, currency swap drawdowns are considered to be borrowings. Currency swap agreements are often used to facilitate trade and investment; however, in Argentina's case, the central bank has used PBOC swap drawdowns to increase (gross) foreign exchange reserves and ensure the government has enough cash on hand to service existing debts. Currency swap borrowings are often short-term facilities that are repeatedly rolled over in consecutive years to repay or refinance maturing debts. For more information on rollover emergency lending, see Appendix B.

Argentina has drawn down up to \$22 billion annually under its swap line with the People's Bank of China (PBOC) since 2014. It has used these drawdowns to maintain stability during times of financial distress, with the first drawdown coming several months after Argentina defaulted on its foreign bond repayment obligations. For a country that has been isolated from international capital markets since a sovereign default in 2001, this financial lifeline has kept the country afloat and reduced its dependence upon the IMF and Western creditors.²

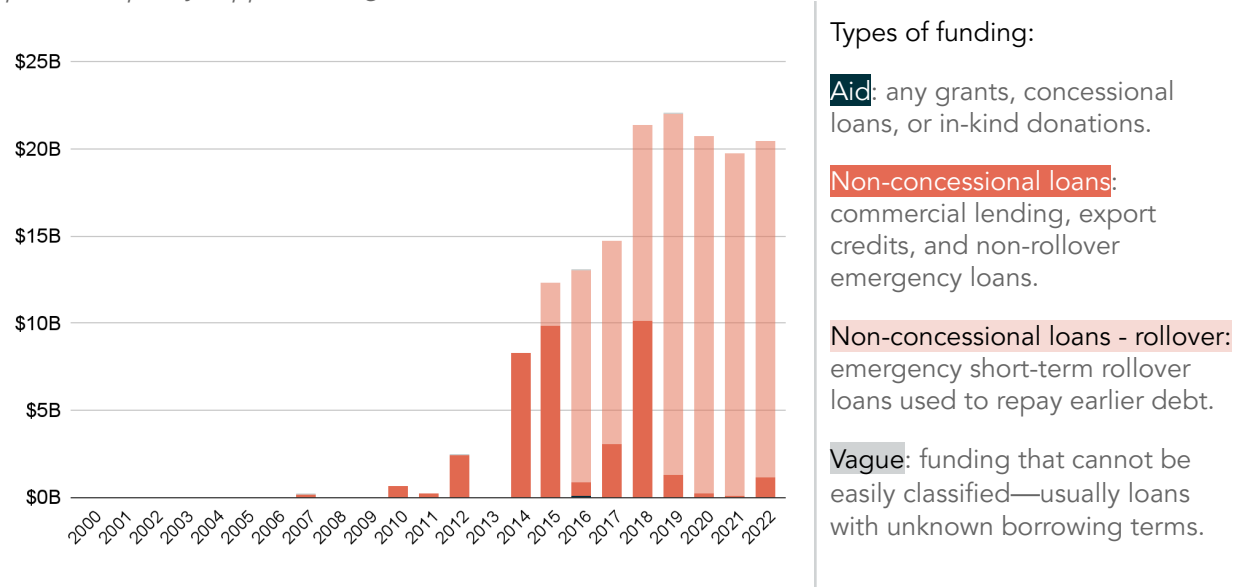
Figure 1.1 outlines China's portfolio of official sector financial flows to Argentina into aid and different types of credit. Argentina received very little aid—via grants, concessional lending, and in-kind donations—from China between 2000 and 2022. Figure 1.1 further disaggregates non-concessional lending into two categories: (a) net increases in rescue lending that inject new funds and raise overall debt levels, and (b) rollover emergency lending that refinances maturing debt but does not represent new debt. Between 2016 and 2022, the majority of China's official sector financial flows to Argentina were currency swap borrowings.

¹Parks, B. C., Malik, A. A., Escobar, B., Zhang, S., Fedorochko, R., Solomon, K., Wang, F., Vlasto, L., Walsh, K. & Goodman, S. 2023. Belt and Road Reboot: Beijing's Bid to De-Risk Its Global Infrastructure Initiative. Williamsburg, VA: AidData at William & Mary.

² For more information on the bilateral relationship between Argentina and China as well as a list of bilateral diplomatic visits between China and Argentina in the BRI era, see Appendix A.

Figure 1.1: Official sector financial commitments from China to Argentina

Includes emergency lending facilities that are repeatedly drawn down and repaid or refinanced to provide liquidity support to Argentina



Currency swap borrowings are central to China’s financial relationship with Argentina. In some cases, the full value of a currency swap drawdown from a previous year is repaid and reissued with a new maturity date. In other cases, the debt is rolled over through a maturity date extension. Borrowers can also increase their total drawdown amounts on a net basis over time, so long as they do not exceed the maximum drawing rights specified in their currency swap agreements with the PBOC. Doing so would increase the total amount of funding available to a borrower in a given year and increase the size of its debt stock. Rollovers themselves do not increase a borrower’s debt stock, but any additional drawdowns above those made in a previous year do. To avoid overstating China’s official sector financial commitments to Argentina, AidData excludes rollover amounts from its cumulative estimates of aid and credit over time, only tallying the net increases in currency swap borrowing that expand Argentina’s debt exposure to China.³

Between 2000 and 2022, official sector lenders and donors from China provided grant and loan commitments worth \$38.6 billion for 202 projects and activities in Argentina. This makes Argentina—a country with a relatively large economy (GDP: \$646 billion) and sizable population (46.6 million residents)—the third largest recipient of Chinese aid and credit in the Americas and the 8th largest recipient in the developing world. In 2014, China and Argentina elevated their relationship to a comprehensive strategic partnership, which coincided with its first \$2.6 billion in currency swap drawdowns as well as \$5.7 billion in new non-concessional loan commitments for infrastructure projects in Argentina. Between 2015 and 2019, China’s non-emergency loan commitments to Argentina averaged about \$1 billion annually, but lending dropped sharply in 2020 and 2021. The slowdown was likely driven by Argentina’s mounting economic challenges, including a heavy debt burden, persistently high inflation, and rising poverty exacerbated by the COVID-19 pandemic. In 2022, however, Chinese non-emergency financing rebounded to pre-pandemic levels—coinciding with Argentina’s decision to join the Belt and Road Initiative.

³Figure 1.1 highlights the important distinction between gross currency swap drawdowns and net currency swap drawdowns.

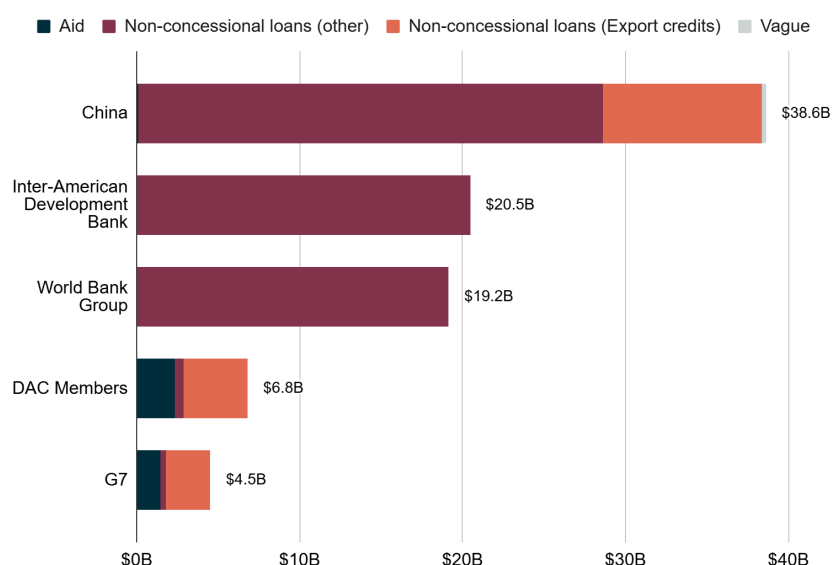
How does China compare to other development partners?

China is Argentina's single largest bilateral development partner (see Figure 1.2), outranking both multilaterals and multiple bilateral partners. China's development finance portfolio in Argentina is dominated by non-aid lending, with export credits representing nearly \$10 billion (25%) in loan commitments between 2000 and 2022.

After China, the Inter-American Development Bank (IDB) was Argentina's second-largest development partner with \$20.5 billion in credit and the World Bank Group was the third-largest provider of credit with \$19.2 billion of flows. Both of these multilateral banks have provided lending heavily focused on the education, health, and social services water supply sectors historically.

The scale of funding provided by bilateral development partners other than China is comparatively small. To highlight the magnitude of China's lending to Argentina, Figure 1.2 compares China's financing not to individual countries, but to the combined totals of all DAC member countries and the G7.

Figure 1.2: Top bilateral and multilateral development partners, 2000-2022



Note: This figure excludes emergency rollover facilities (a subset of emergency rescue lending).

Figure 1.2 contains the top five development partners providing aid and other financing to Argentina. However, only China has detailed bilateral export credit flows to Argentina. This level of granularity is not available for other development partners as the OECD does not provide export credit data for bilateral relationships, it only provides data on total export credit flows by two aggregate donor groupings, G7 and DAC member countries.

Total export credits from G7: \$2.75 billion.

Total export credits from DAC member countries (including G7): \$3.95 billion.

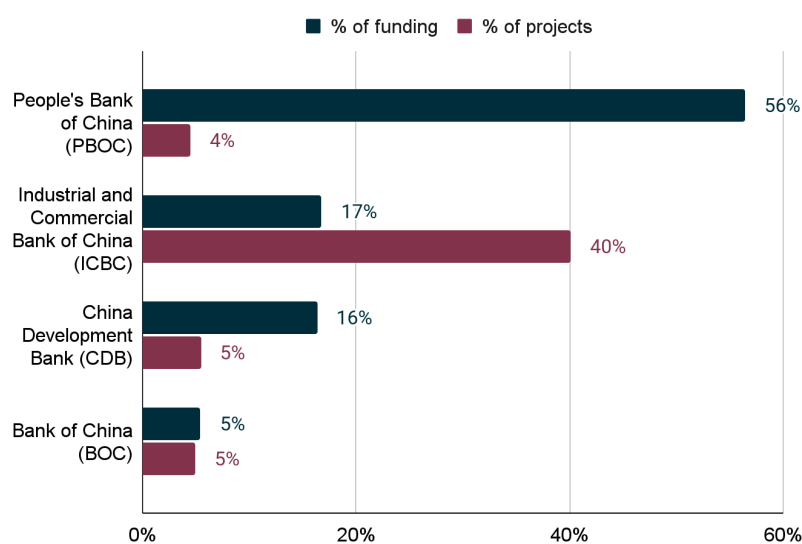
How does China use export credits?

The central role that export credits play in China's overseas lending portfolio sets it apart from other official sector creditors: Under a so-called "Gentlemen's Agreement" on Officially Supported Export Credits, OECD member countries agreed in 1978 to "tie their own hands" and voluntarily abide by a set of international rules that limit the provision of *subsidized* export credits to domestic companies with overseas operations. However, China never agreed to participate in the "Gentlemen's Agreement" and it has consistently used concessional export credit to help its firms gain a competitive edge in overseas markets.

Which donors and lenders from China are active in Argentina?

Between 2000 and 2022, 53 official sector donors and lenders from China provided aid and non-concessional loans to Argentina. 95% of China's official finance portfolio is provided through 4 main donors and lenders (see Figure 1.3). The other 5% is provided by a diverse array of government agencies (including central, regional, or municipal government agencies), state-owned commercial banks, and state-owned companies.

Figure 1.3: Top Chinese donors and lenders



PBOC: central bank that provides foreign currency swap lines (representing emergency rescue lending).

CDB: state-owned policy bank that provides less concessional lending than China Eximbank.

ICBC: state-owned commercial bank that provides non-concessional loans.

BOC: state-owned commercial bank that provides non-concessional loans.

The top funding agency to Argentina is the People's Bank of China (PBOC). The PBOC is China's central bank and it supported nine borrowings worth \$21.8 billion, accounting for 56% of total official sector financial flows from China to Argentina between 2000 and 2022. These borrowings were drawdowns by Argentina's central bank under its bilateral foreign currency swap with the PBOC.

The next largest lender is the Industrial and Commercial Bank of China (ICBC). ICBC extended 81 loans worth \$6.5 billion (17% of total flows), including six new loans in 2022. The largest 2022 commitment from ICBC (\$962 million) was to GFL International Co., Ltd., a private company, to facilitate its acquisition of a 100% equity stake in Lithea Inc.—for the exploration and development of lithium mining rights of the Pozuelos and Pastos Grandes (PPG) lithium salt lake assets in Argentina's Salta province.

The final two top lenders are China Development Bank (CDB) and Bank of China (BOC). CDB issued 11 loans worth \$6.8 billion to Argentine entities. The value of these loans represents 16% of total official sector financial flows from China to Argentina between 2000 and 2022. BOC provided 10 loans worth \$2.1 billion (5% of total flows). In 2022, BOC contributed to a \$270 million syndicated loan for multiple Loma Blanca wind farms.

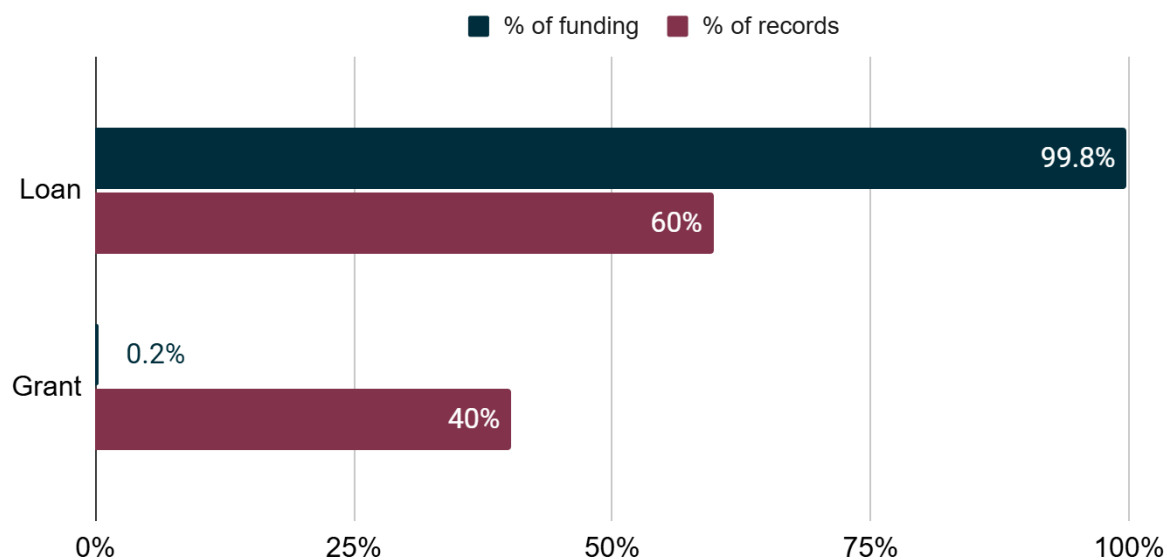
ICBC, CDB, and BOC, with permission from Argentina's legislature, amended the syndicated loan agreement for the 1,310 MW Néstor Kirchner and Jorge Cepernic Hydroelectric Power Plant in May 2022. The goals of the amendment were to identify a new project owner, document the reduction in power generation capacity (from 1,740 MW to 1,310 MW) due to a rescoping of the project design, modify the semi-annual repayment scheme, and extend the loan availability period by 30 additional months (from July 27, 2020 until January 27, 2023).

What kinds of financial and in-kind support does China offer Argentina?

99.8% of China's official sector financing to Argentina takes the form of loans (totaling \$38.5 billion), while 0.2% (\$93 million) comes in the form of grants and in-kind donations. In-kind donations are difficult to monetize, so the monetary values of these activities are likely underrepresented.

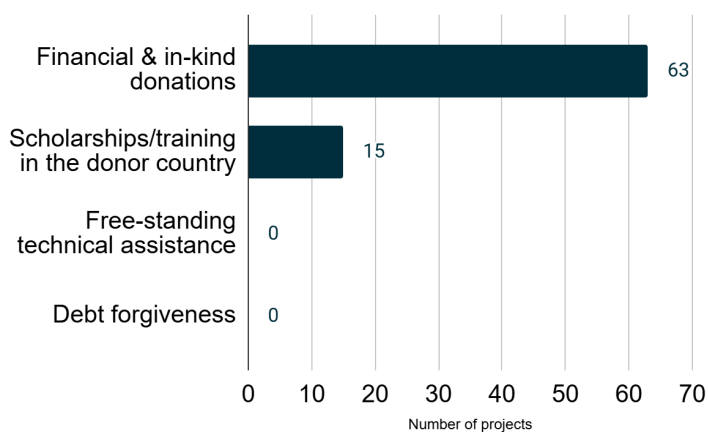
AidData captures each instance of a grant or in-kind donation as one record, so analyzing the record counts can help provide a better picture of China's activities in Argentina. When looking at record counts, grants account for 40% of all activity records in Argentina (representing 78 records capturing activities taking place between 2000 and 2022).

Figure 1.4: Top financial instruments used by China in Argentina



Note: Debt rescheduling and Vague records are excluded from this visual since they are neither loans or grants.

Figure 1.5: Breakdown of grants by project count

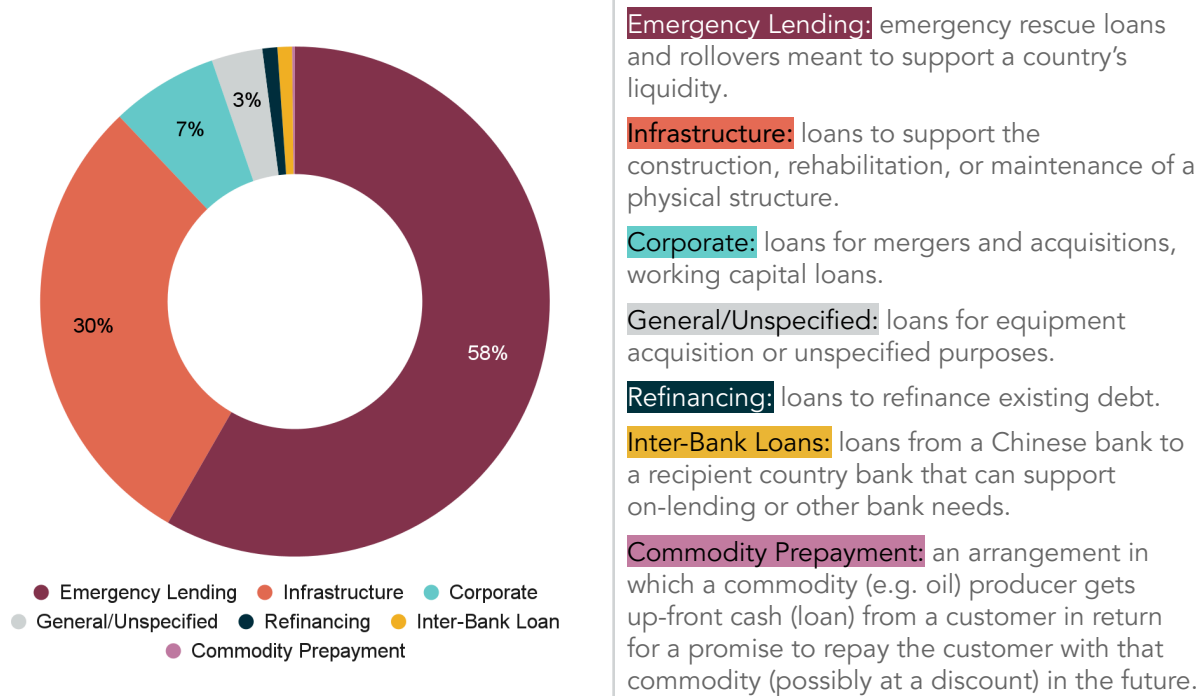


Many of Argentina's financial and in-kind donations come from various Chinese city governments and companies.

Argentina has received two unique grants in 2022: an \$8,000 grant from ICBC Argentina for acquisition of new artworks for the Museum of Latin American Art of Buenos Aires and a \$686,000 grant from Zijin Mining Group for a winery in Fiambalá.

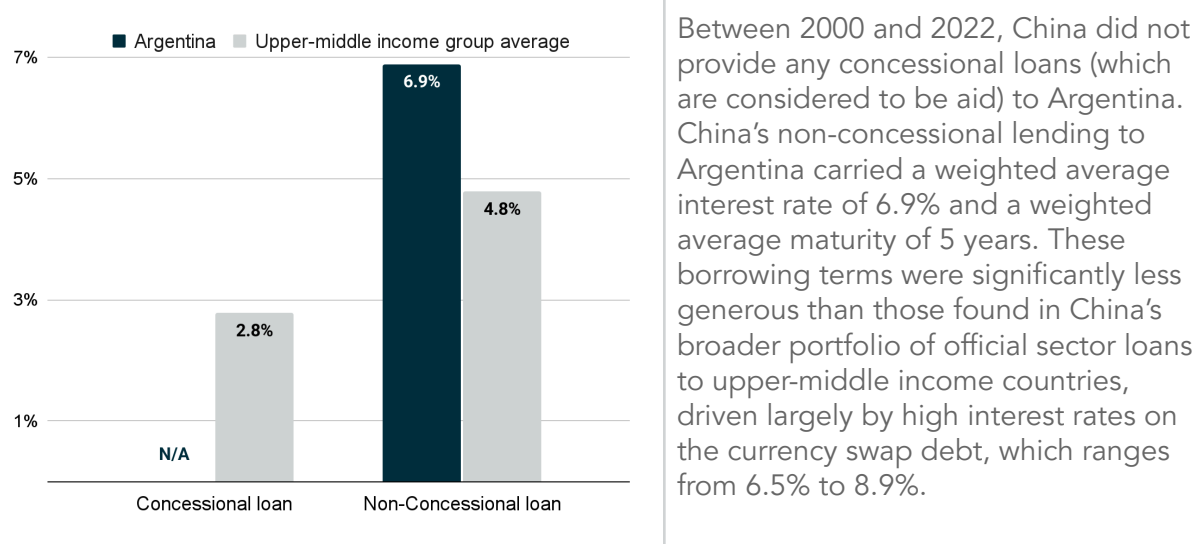
Other 2022 projects include epidemic prevention supplies from PowerChina and the renewal of the Chinese Government Scholarship project.

Figure 1.6: Breakdown of lending by purpose



Emergency lending through currency swap borrowings accounts for 59% of total cumulative lending—a pattern that is unusual compared to China’s broader lending to other developing countries. 30% (\$11.2 billion) of China’s official sector lending to Argentina supports physical activities via infrastructure projects. Nearly 95% of these infrastructure projects in Argentina are implemented by at least one Chinese entity, such as a Chinese state-owned or private sector company. An additional 7% supports corporate activities, such as loans for mergers and acquisitions and working capital loans. In Argentina, the largest of these transactions have been loans aimed at facilitating acquisitions in the mining sector. 3% of lending was for unspecified purposes or equipment acquisitions. Less than 1% was provided via inter-bank loans, commodity prepayment facilities, and loans meant to refinance existing debt.

Figure 1.7: Borrowing terms

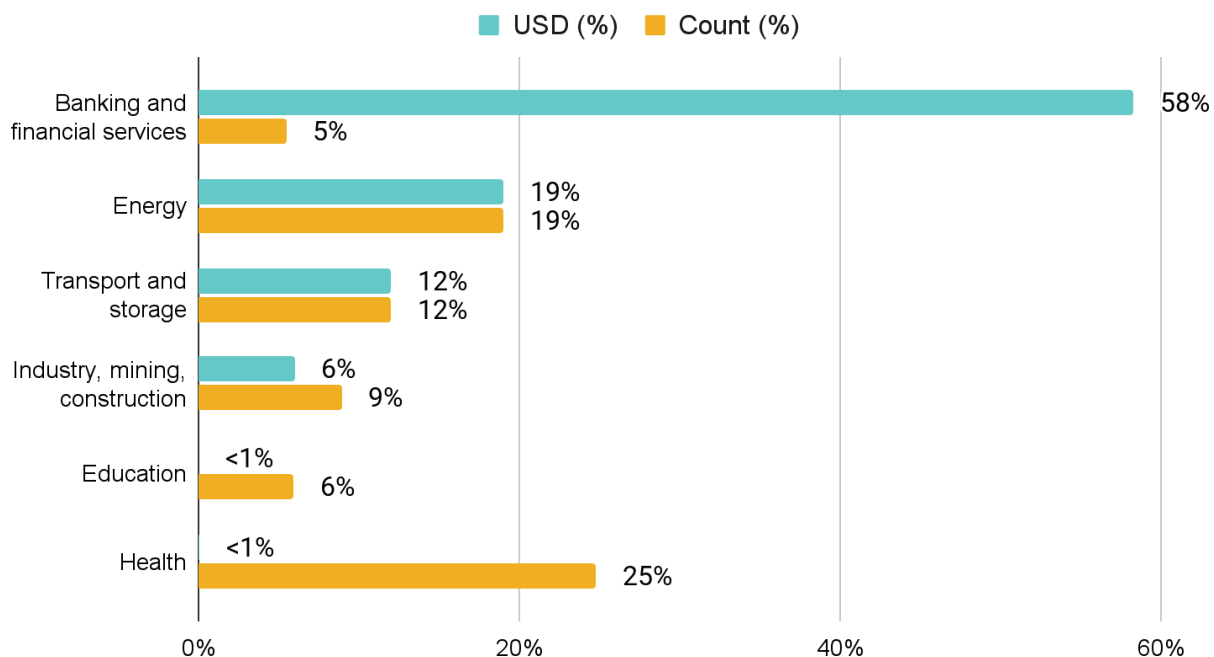


In which sectors is China most active?

Top sectors for China's aid and credit in Argentina differ greatly when comparing monetary value and record count. Certain sectors, such as health and education, represent a large percentage of records but offer small or no transaction amounts. In Figure 1.8, AidData has provided the top sectors by both monetary value and record count to demonstrate this dichotomy.

Figure 1.8: Selected top sectors

Sectors by monetary value and record count



By monetary value, nearly 58% of China's grant and loan commitments to Argentina are directed toward the banking and financial services sector. This sector primarily supports financial institutions, including Argentina's central bank. Altogether, banking sector activities account for \$22.5 billion in financing (excluding rollover emergency lending; see Appendix B) across 11 records, representing 5% of the total number of projects. Most of these records—and nearly all of the associated funding—stem from drawdowns on the People's Bank of China swap line by Argentina's central bank.

An additional 37% of China's grant and loan commitments to Argentina—\$13.9 billion—supported three core infrastructure sectors between 2000 and 2022: energy, transportation and storage, and industry, mining, and construction.

- ➔ **Energy:** This sector is the second largest sector by financial value with \$7.2 billion in funding (or 19% of China's entire portfolio). It encompasses the generation and distribution of renewable and non-renewable sources, as well as hybrid and nuclear power plants. In 2022 the 1,310 MW Nestor Kirchner and Jorge Cepernic Hydroelectric Power Plant received \$340 million in new loans from ICBC and China Gezhouba Group Company Limited in 2022 (in addition to \$5.1 billion already committed in support of

the project). The other major 2022 commitment in this sector was a \$270 million syndicated loan to construct the Loma Blanca I, II, III and VI wind farms in southeast Patagonia's Chubut province between the towns of Rawson and Trelew; and the 96MW Miramar Wind Farm in the town of Miramar in the south of the Province of Buenos Aires. Bank of China and China Citic Bank International Limited participated in this loan.

- **Transportation and storage:** This sector refers to the construction and maintenance of road, rail, air, and water transit infrastructure and is characterized by high-value infrastructure projects. 12% of China's official finance portfolio in Argentina (in both proportion of lending and record count) is specifically dedicated to this hardware sector, representing \$4.5 billion in aid and non-concessional loans. Major projects in this sector include a \$1.1 billion syndicated loan from BOC and ICBC for National Road Line B and a \$2.1 billion syndicated loan from CDB and ICBC for the Belgrano Cargas Railway Line Rehabilitation Project. In 2022, ICBC provided a \$10 million loan to Aeropuertos Argentina 2000, the largest private airport operator in the world, to support general operations and management of their 35 airports.
- **Industry, mining, and construction:** This sector includes manufacturing fossil fuels, mining for coal, gas, metals, minerals, and construction. There were 18 records in this sector (9% of the total), representing nearly \$2.3 billion of the portfolio by value (6% of financing). Major projects include a \$112 million loan from the Bank of China for a floating LNG plant in Bahía Blanca and ICBC's contribution to a \$500 million syndicated loan for the Campana Refinery Upgrading Project arranged by the International Finance Corporation (IFC). In 2022, there were two commitments from ICBC in this sector: a \$962 million loan for acquisition of a 100% equity stake in Lithea Inc. to explore and develop lithium mining rights in the Argentina's Salta province, and a \$56 million loan for refinancing to Loma Negra Compañía Industrial Argentina S.A., Argentina's leading maker of cement, concrete, and lime.

China is also heavily engaged in the "software" sectors in Argentina, such as health and education. China's footprint in these sectors is difficult to represent, however, because the activities in these sectors often represent some form of in-kind donation or technical assistance.

- **Health:** This sector includes medical care, infrastructure, equipment, and epidemic control activities. In total, activities in the health sector represent 50 records in China's portfolio in Argentina (or 25% of records) and \$18 million of financing. Major activities in this sector include the donation of a \$5 million field hospital to the Argentine Army and \$13.6 million in COVID-19 related medical supplies. In 2022, PowerChina Ltd. (Argentina Branch) donated epidemic prevention supplies, including approximately 100,000 masks and 30 boxes of alcohol, among other supplies, to the Mendoza Provincial Government in Argentina.
- **Education:** This sector encompasses schooling at the primary, secondary, and post-secondary levels, as well as technical and advanced training activities. In Argentina, education activities all involve in-kind donations such as material donations and non-monetized activities like scholarships. As such, education activities represent 12% of China's total record count (12 records) but 0% of China's portfolio by reported financial value for this time period. Notable activities in the education sector include scholarships for Argentine students to study in China and establishing Confucius Institutes at 4 universities.

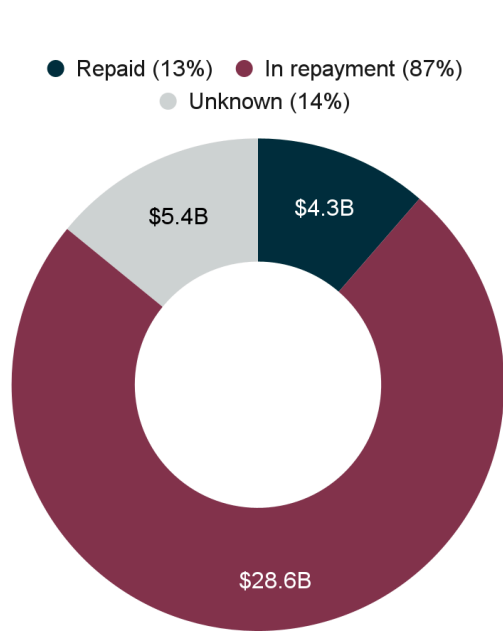
Section 2: Argentina’s debts to China

| | | | |
|---------------------|---|--|--------------------|
| 116 loans issued | \$38.5 billion cumulative value of loan commitments (6% of GDP) ⁴ | 21% of total debt shows signs of financial distress | 85% public debt |
|---------------------|---|--|--------------------|

| What is “public debt”? | | |
|--|---|---|
| Public debt Loans issued directly to public institutions, loans that have sovereign repayment guarantees, or loans extended to special purpose vehicles or joint ventures that are majority-owned by one or more public sector institutions. | Potential public debt Loans to special purpose vehicles or joint ventures in which recipient governments hold minority equity stakes. | Private or opaque debt Loans to private sector borrowers and entities with opaque ownership structures. |

In this section, AidData examines Argentina's debts to China based upon their repayment profiles and levels of public liability. A loan’s repayment period begins when the grace period—the time after the issuance of a loan when a borrower is not expected to make repayments—has ended. This information, in conjunction with information about the extent to which the recipient government may eventually be liable for the repayment of a given loan, makes it easier to understand the nature of Argentina’s debt exposure to China.

Figure 2.1: Repayment status for all loans from China



There are currently 80 loans for which AidData has access to repayment details. 17 of those loans (worth \$28.6 billion) are currently in their repayment periods.

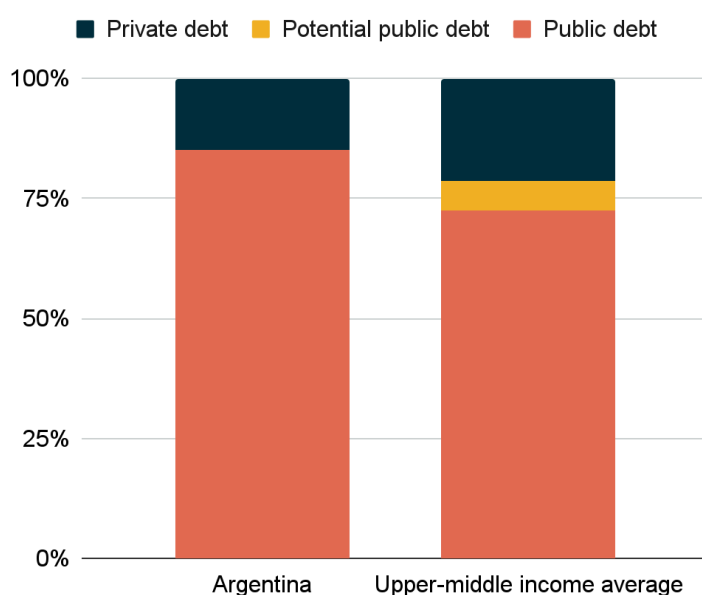
63 loans (worth \$4.3 billion) have exited their repayment periods—meaning they should have been fully repaid based on their original maturity dates outlined at the time of signing.

However, the amount in repayment may be higher, since there are 36 loans (worth \$5.4 billion) for which AidData has insufficient repayment details.

⁴Excluding emergency rescue lending.

Figure 2.2: Composition of debt from China by public liability

Total debt, 2000-2022—Argentina: \$38.5 billion. Upper-middle income country average: \$9.9 billion.



Argentina's debts to China mostly qualify as public debts. Whereas 72% of developing country loans from China go to public and publicly-guaranteed borrowers, 85% of Argentina's loans from Chinese creditors went to public and publicly-guaranteed borrowers.

Argentina has no potential public sector debts to China, and only 15% of its loans from to Chinese creditors falls in the residual private debt category.

Argentina's high level of public debt exposure is largely attributable to its borrowings through a swap line with the PBOC. All of Argentina's drawdowns under the PBOC currency swap line are conducted by its central bank, making the drawdowns a public sector liability. Since these drawdowns constitute more than half of all official sector credit from China to Argentina (even after excluding rollover facilities), they have a major effect on the country's overall level of public debt exposure to China. In 2022, the Argentine central bank drew down on the swap line for the 9th consecutive year, effectively rolling over its debts from 2021. The total (gross) drawdown amount in 2022 was \$19.3 billion with an estimated interest rate of 6.5%. Preliminary evidence indicates the 2023 (gross) drawdown amount was largely consistent with the 2022 amount.

Apart from allowing the Argentine central bank to use swap drawdowns to boost the country's gross foreign exchange reserves, PBOC granted Argentina's central bank special permission to access a "freely usable" tranche under the swap line during the Alberto Fernández administration. This \$5 billion tranche could be used to service outstanding debts to external creditors and finance imports from China. This special arrangement came at a critical time when Argentina was urgently seeking bridge funding to make large debt service payments on existing loans to the IMF and make a payment to bondholders. It relied on this source of liquidity to avoid defaulting on its IMF obligations, making four large debt service payments to the IMF in 2023 and 2024.⁵

While Argentina's full repayment schedule for the swap line remains uncertain—pending China's ongoing approval for further rollovers—the \$5 billion freely usable tranche is now coming due. In 2024, China granted Argentina additional time, allowing repayment of this

⁵ The loan repayments to the IMF had already been extended to relieve Argentina's economic crisis and stem the outflow of capital. In 2022, the IMF agreed to a new arrangement worth \$44 billion to help Argentina service its outstanding debts under a \$57 billion bailout loan that the government contracted in 2018. This action resulted in Argentina becoming the IMF's top debtor. See Elliott, L. (2025, April 12). Argentina and the IMF: A troubled history. *Reuters*. <https://www.reuters.com/world/americas/argentina-imf-troubled-history-2025-04-12/>

portion to be extended between mid-2025 and mid-2026. The current US administration is encouraging Argentina to pay off the full swap line balance to limit the influence China has in the country, even suggesting that Argentina could potentially borrow from the US Treasury's Exchange Stabilization Fund (ESF) in lieu of the PBOC swap line.⁶

Approximately 21% of China's cumulative loan commitments to Argentina are financially distressed. The 3.0 version of AidData's GCDF dataset systematically identifies all official sector loans from China that showed signs of financial distress. Evidence of financial distress includes, among other things, borrowers accruing principal or interest arrears, defaulting on their repayment obligations, or filing for bankruptcy. Loan-financed projects in financial distress include the Belgrano Cargas Railway Line Rehabilitation Project and the 1,310 MW Néstor Kirchner and Jorge Cepernic Hydroelectric Power Plant Construction Project, which both include cross-default clauses that came close to being triggered when the Argentine government signaled its intention to cancel the hydropower project. This action would have constituted an event of default, thereby triggering a cross-default on the loan that was contracted for the railway project.

Between 2018 and 2021, loan disbursements from CDB, Bank of China, and ICBC for the 1,310 MW Néstor Kirchner and Jorge Cepernic Hydroelectric Power Plant Construction Project were reportedly suspended because the Government of Argentina fell behind on paying outstanding invoices ("interim payment certificates"). As a result, the project's main construction contractor had to secure additional financing in 2022— a \$300 million loan from China Gezhouba Group Company Limited and a \$40 million loan from ICBC Argentina—to keep the project moving forward.

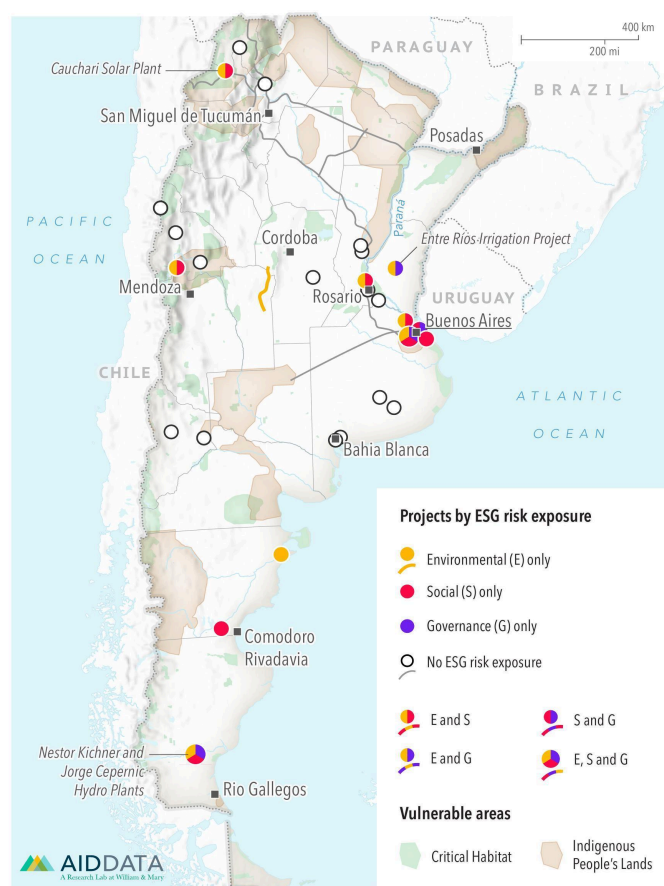
That same year, the Argentine government renegotiated the repayment terms of the syndicated loan for the hydropower project. Among other changes, the revised agreement (a) modified the semi-annual repayment schedule such that smaller repayments would be front-loaded and larger repayments would be back-loaded; and (b) extended the loan's disbursement ("availability") period by 30 months, shifting the deadline from July 27, 2020, to January 27, 2023. These changes were made to address the government's ongoing cash management challenges and their knock-on effects on project implementation.

⁶ Tobias, M., Gillespie, P., & Hordern, A. (2025, April 14). *Bessent expects Argentina to be able to pay off China swap*. Buenos Aires Times. <https://www.batimes.com.ar/news/economy/bessent-expects-argentina-to-be-able-to-pay-off-china-swap.phtml>

Section 3: ESG risk profile of China's grant- and loan-financed infrastructure portfolio

| Chinese infrastructure in Argentina with ESG risk exposure: | | | Examples of global ESG risks |
|---|--|--|--|
| 27 infrastructure projects supported by grants and loans from China | \$9.8 billion in loan commitments supporting infrastructure projects | 88% of infrastructure lending with ESG risk exposure | |
| | | | <p>Environmental: increase in air or water pollution, biodiversity loss, deforestation, increased carbon footprint, or natural resource depletion.</p> <p>Social: poor labor law compliance, human rights abuses, displacement of local residents, or archaeological or cultural heritage site degradation.</p> <p>Governance: corruption, money laundering, lack of transparency, and non-competitive bidding processes.</p> |

Figure 3.1: Distribution of China's infrastructure projects with significant ESG risk exposure



In the *Belt and Road Reboot* report, AidData developed a set of metrics that identify the environmental, social, and governance (ESG) risk exposure of Chinese-financed infrastructure projects overseas, as well as the steps it has taken to build safeguards into its programs to combat these risks.⁷ (See Appendix B for details on the ESG risk exposure methodology).

Figure 3.1 presents the geographic locations of all Chinese-financed infrastructure projects in Argentina according to their ESG risk exposure. There is a concentration of ESG risk exposure in the capital, Buenos Aires, while infrastructure projects outside the capital have either environmental risk, social risk, or both. The Néstor Kirchner and Jorge Cepernic Hydroelectric Power Plant (47% of Argentina's infrastructure financing) has significant risk exposure in all three areas.

⁷For more information, see AidData's 2023 "Belt and Road Reboot: Beijing's Bid to De-Risk Its Global Infrastructure Initiative" report. <https://www.aiddata.org/publications/belt-and-road-reboot>

In China’s grant- and loan-financed infrastructure project portfolio in the developing world, the cumulative percentage of financing with significant ESG risk exposure increased from 12% to 54% from 2000 to 2021, demonstrating China’s signature infrastructure initiative is facing major challenges. In Argentina, ESG risks are above the global average, with 86% of China’s portfolio identified with significant ESG risk exposure from 2000 to 2021. With the addition of data from commitment year 2022, Argentina’s ESG risk exposure is 88%.

What is the level of ESG risk exposure in China’s grant- and loan-financed infrastructure portfolio?

88% of China’s grant- and loan-financed infrastructure portfolio in Argentina is exposed to significant environmental, social, and governance (ESG) risks. This makes China’s grant- and loan-financed infrastructure portfolio in Argentina one of the highest in China’s portfolio among low- and middle-income countries. ESG risks are exceptionally high due to the Néstor Kirchner and Jorge Cepernic Hydroelectric Power Plant (which represents 47% of all infrastructure financing in Argentina). The power plant is 170 km from the Los Glaciares National Park, a UNESCO world heritage site, creating significant environmental and social risk exposure. While construction has recommenced, the project remains controversial and is the main driver of ESG risk exposure in China’s grant- and loan-financed infrastructure project portfolio in Argentina.

Figure 3.2: Percentage of infrastructure project portfolio with ESG risk exposure

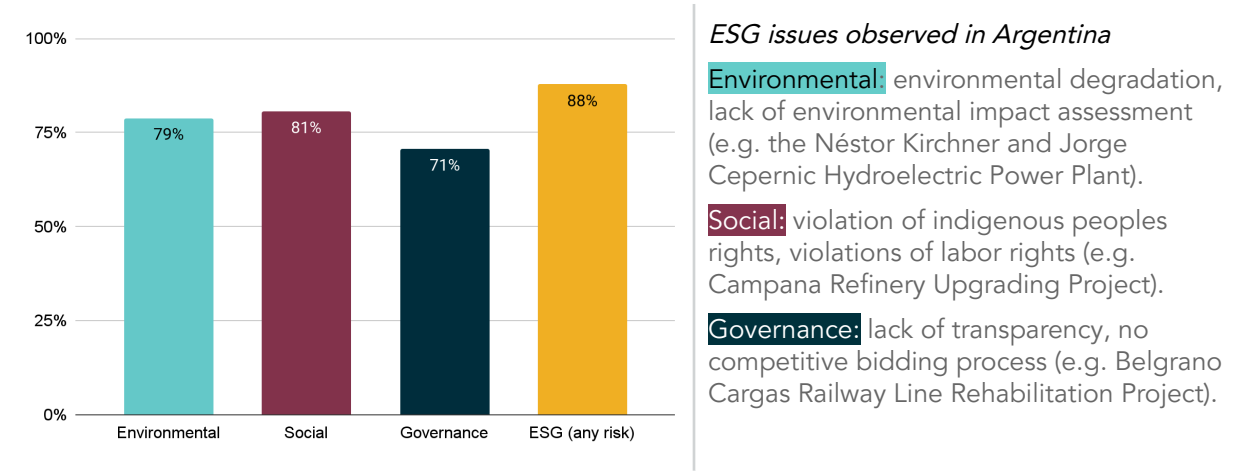
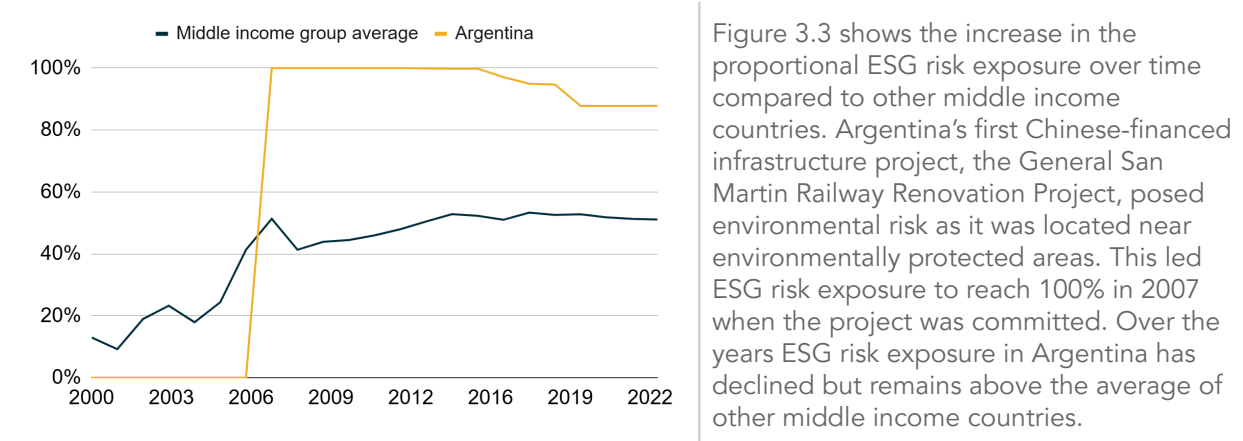


Figure 3.3: Cumulative proportion of Chinese infrastructure financing with ESG risk exposure Argentina (2022): 88%. Middle income country average (2022): 51%.



Section 4: New ESG safeguards in China's infrastructure project portfolio

| | |
|--|--|
| Percent of infrastructure portfolio with strong ESG safeguards | What are ESG safeguards? ESG safeguards are formal provisions written into financing contracts (grant or loan) to mitigate environmental, social, and governance risks during an infrastructure project's implementation and operation. |
| 87% 2000-2022 | |

Chinese lenders and donors have responded to rising levels of ESG risk in their portfolio across the developing world by putting in place increasingly stringent safeguards via changes to their contractual provisions on infrastructure funding. These safeguards include, among others, contractual provisions that mandate Environmental and Social Impact Assessments (ESIA), Environmental Management Plans (EMP), Resettlement Action Plans (RAPs), Open Competitive Bidding (OCB) processes, and the preparation and submission of financial statements that meet International Financial Reporting Standards (IFRS).

To implement these safeguards, Beijing is increasingly outsourcing risk management to other lending institutions with stronger due diligence standards and safeguard policies. It is dialing down its use of bilateral lending instruments and ramping up the provision of credit through collaborative lending arrangements with Western commercial banks and multilateral institutions (called syndicated lending).

Through this pivot in financing strategy, China's overseas infrastructure portfolio has gone from having no ESG safeguards in place in 2000 to 57% of its infrastructure project portfolio having strong ESG safeguards in place by 2021. Chinese grant- and loan-financed infrastructure projects that are subjected to strong ESG safeguards present fewer ESG risks during implementation. They are also less likely to be suspended or canceled. Perhaps most importantly, Chinese grant- and loan-financed infrastructure projects with strong ESG safeguards do not face substantially longer delays than those with weak ESG safeguards, showcasing China's success in pairing speed and safety when it has implemented ESG safeguards in its infrastructure portfolio.

| Key aspects of infrastructure projects with strong ESG safeguards |
|--|
| Present fewer ESG risks during implementation |
| Less likely to be suspended or canceled |
| Speed of implementation is not delayed compared to projects with weak ESG safeguards |

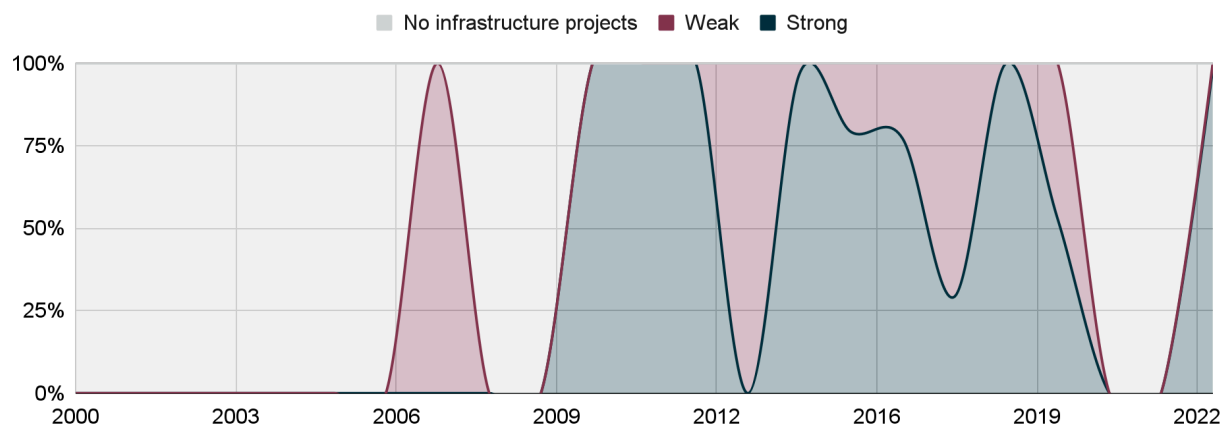
Has China increased ESG safeguard stringency in its infrastructure portfolio in Argentina over time?

Between 2000 and 2022, 87% of China's grant- and loan-financed infrastructure project portfolio in Argentina had strong contractual ESG safeguards in place. During the same 22-year period, 23% of China's grant- and loan-financed infrastructure project portfolio across all low- and middle-income countries had strong de jure (contractual) environmental, social, and governance safeguards in place.

While initially having no safeguards, the portfolio has grown to include generally strong safeguards. Between 2007 and 2019, the annual average of new infrastructure lending commitments with strong ESG safeguards was 72%. By 2014, new lending commitments with strong ESG safeguards increased to 84%. Trends across China's global infrastructure portfolio suggest the increase in strong ESG safeguards is likely to continue in future years.

The jump in strong safeguards in 2022 represents new bilateral and syndicated loan commitments from state-owned commercial banks, including a bilateral loan commitment from ICBC for the Néstor Kirchner and Jorge Cepernic Hydroelectric Power Plant Construction Project and syndicated loan contributions from Bank of China and China Citic Bank International supporting wind farms in Argentina.

Figure 4.1: Infrastructure project portfolio with strong contractual ESG safeguards⁸
Percent of infrastructure project portfolio committed each year



⁸ This graph shows all years of Chinese funding regardless of if there was an infrastructure project in that year. Those years are represented by the gray or "no infrastructure projects" area.

Appendix A: Public opinion and bilateral diplomatic visits between China and Argentina in the BRI era

Since 2006, Argentina has maintained an unfavorable view towards China. Data captured by Gallup between 2006 and 2022 shows that Argentine citizens held an average approval rate of 39% toward China.⁹ For comparison, the global approval rating was roughly 60.1% in the same time span. Argentina’s approval rating stayed in the 30-40% range until increasing to nearly 55% in 2019. However, it dropped to 32% in 2020 likely due to the COVID-19 pandemic. While steady at 32% through 2021, China’s approval rate dropped further in 2022 to 27%, perhaps due to Milei’s initial anti-China agenda.

Figure A.1: Argentinian approval of Chinese leadership, 2006-2022¹⁰

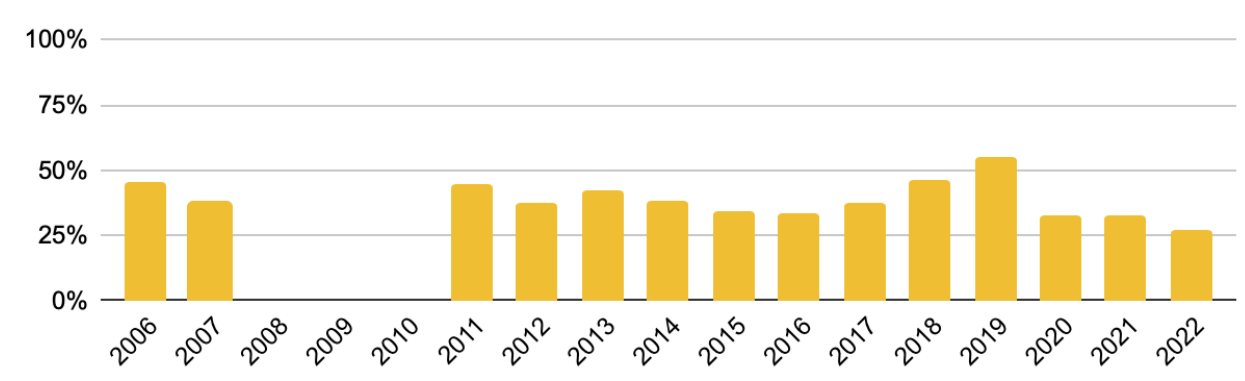


Figure A.2: Bilateral diplomatic visits between China and Argentina

| | |
|----------|---|
| 2014 JUL | President Xi Jinping visited Argentina for the first time with President Cristina Fernández de Kirchner, where a comprehensive strategic partnership was established. |
| 2016 SEP | President Mauricio Macri met with Xi Jinping ahead of the G20 summit in China to discuss deepening cooperation in trade, investment, and finance. |
| 2019 SEP | President Marci met with Chinese State Councilor and Minister of National Defense, Wei Fenghe, pledging to work together to promote bilateral ties. |
| 2022 FEB | Argentine President Alberto Fernández met with Xi Jinping in Beijing, signing a memorandum of understanding to officially join the Belt and Road Initiative. |
| 2022 NOV | President Xi met with President Fernández in Bali, celebrating the 50th year of diplomatic ties between the two countries. |
| 2024 NOV | President Xi meets Argentine President Javier Milei for the first time on the sidelines of the G20 summit in Rio de Janeiro. |

⁹This data comes from Gallup’s World Poll which started in 2005. Gallup conducts the survey in various frequencies on a country-by-country basis; therefore, the years AidData has data for vary and there are gaps pre-2006 and, in some cases, between 2006-2022. For Argentina, data is not available for pre-2006 and 2008-2010. For more information on the Gallup methodology see <https://www.gallup.com/178667/gallup-world-poll-work.aspx>

¹⁰The data for the graph and approval rate is based upon Gallup’s Rating World Leaders’ report and dataset.

Appendix B: Methodology & definitions

Capturing Chinese development finance methodology:

The insights in this profile are derived from AidData's preliminary 2000-2022 Global Chinese Development Finance (GCDF) dataset, which has not yet been published. By nature of AidData's data collection process, AidData uncovered new sources and information related to projects across all commitment years, and as such there may be movements in the underlying data since the previous version of the profile. For more details regarding the methodology used to assemble the data, please refer to the Tracking Underreported Financial Flows (TUFF) 3.0 Methodology. All financial values reported in this profile represent USD Constant 2022 prices, unless otherwise stated.

Definitions of finance types:

- **Aid:** Includes any grant, in-kind donation, or concessional loan (i.e., loans provided at below-market rates and categorized as ODA-like in GCDF 3.0).
- **Non-concessional loans:** Captures export credits and loans that are priced at or near market rates (i.e., non-concessional and semi-concessional debt categorized as OOF-like in GCDF 3.0).
- **Vague:** Any official financial flows that could not be reliably categorized as “aid” or “non-concessional loans” because of insufficient information in the underlying source material.

Emergency rescue lending & rollover facilities:

Emergency rescue loans are loans from Chinese state-owned entities to government borrowing institutions in low-income and middle-income countries that are used for at least one of three purposes: (1) repaying existing debts, (2) financing general public expenditures, or (3) shoring up foreign exchange reserves. Such loans include borrowings via currency swap agreements, liquidity support facilities, foreign currency term financing facility agreements, deposit loans, commodity prepayment facilities, and so-called “sovereign loans”¹¹.

Short-term emergency rescue loans represent an increasingly important part of China's overseas portfolio of loans to LICs and MICs. Nearly all of these borrowings, which are typically used to refinance maturing debts, carry de jure maturities of one year or less (i.e., they are initially scheduled for repayment in 12 months or less). However, it is not unusual for financially-distressed LICs and MICs to receive short-term emergency rescue loans from the same Chinese creditor in a series of consecutive years. This relatively new feature of China's overseas lending program raises an important question about how to accurately estimate the cumulative stock of official financial flows—or lending commitments—from China to the developing world. In countries that receive roll-over emergency rescue loans, this profile reports the full transaction amount (including short-term roll-over facilities) for Figure 1.1. All other visuals exclude these short-term rollover facilities.

Definitions of instrument types:

- **Grant:** The donation of money or an in-kind donation of goods from an official sector institution in China (e.g. donations of supplies or equipment, humanitarian aid or

¹¹Parks et al. (2023)

disaster relief, or financing for the construction of a government building, school, hospital, or sports stadium).

- Free-standing technical assistance: Skills training, instruction, consulting services, and information sharing by official sector entities and experts from China. Training provided by Chinese entities outside of China is classified as technical assistance.
- Scholarships/training in the donor country: Funding from an official sector institution in China that allows a citizen from the host country to study at a Chinese university or other educational institution. This includes training programs and activities that are sponsored by an official sector institution in China and held for host country citizens in China.
- Debt forgiveness: The total or partial cancellation of debt owed by a borrowing institution in the host country to a Chinese government or state-owned entity.

Development finance to Argentina from other donors

All data on development finance from other donors came from the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD DAC) Creditor Reporting System (CRS). The CRS is the OECD's aid activity database, which compiles activity-level statistics from all providers who report to the OECD. For the analysis in Figure 1.2, 'Aid' represents Official Development Assistance (ODA) grants and loans. Non-concessional loans represent the Other Official Flows (OOF) measure. However, the flows captured in CRS (which are project-level records) specifically exclude export credit flows (due to their potentially sensitive nature). Data on export credits is available in OECD's DAC2B database in aggregate form. DAC2B provides data on OOF loans and grants and gross export credits. However, consistent and comprehensive data on export credits from one development partner to a specific country are not available. Gross export credits to a specific country are available at an aggregate level, such as G7 or all DAC Members.

Calculating loans from China within repayment periods

Figure 2.1 shows the percentage of official sector lending from China to Argentina that represent loans within their repayment periods as of 01/01/2025 date. To determine when each loan will enter repayment, each loan's grace period is added to its commitment date. This figure represents when loans will reach their repayment period according to their original borrowing terms, although many loans have been rescheduled (often involving an extension of the loan's grace period and/or maturity). When the grace period is not available, AidData assumes the grace period is 0.

ESG risk exposure methodology:

AidData's ESG risk exposure metric is a composite, project-level score based on five criteria. First, AidData identifies whether a given infrastructure project is located in an environmentally sensitive area. Second, AidData analyzes whether the project is located in a socially sensitive area—specifically, in an area where Indigenous populations are often denied free, prior, and informed consent (FPIC). AidData assesses whether the project is located in a geographical area that is vulnerable to political capture and manipulation by governing elites in host countries. Fourth, AidData evaluates if the Chinese lender/donor relied on a contractor sanctioned for fraudulent and corrupt behavior to implement the project. Fifth, AidData identifies whether a significant environmental, social, or governance challenge arose before, during, or after the implementation of the project.

Common ESG Risks in Infrastructure Projects:

- Environmental: Negative effects on the environment due to building, rehabilitating, or maintaining a physical structure. These include an increase in air or water pollution, biodiversity loss, deforestation, increased carbon footprint, or natural resource depletion.
- Social: Negative effects on different groups of people due to the infrastructure project, such as employees, nearby residents, Indigenous populations, or community members. Such negative effects include poor labor law compliance, human rights abuses, displacement of local residents, or archaeological or cultural heritage site degradation.
- Governance: Negative effects related to the infrastructure project's financial, legal, and ethical management during the design and implementation of the project. These can include corruption, money laundering, lack of transparency, and non-competitive bidding processes that lead to higher project costs and/or poor project quality.

ESG safeguard methodology:

In addition to metrics of ESG risk exposure, the *Belt and Road Reboot* report introduced a measure of China's responses to ESG risks through its own grant and loan financing agreements. AidData obtained a large cache of unredacted infrastructure financing agreements that provide detailed information about whether financiers, at the time that they signed the agreements with their host country counterparts, identified behavioral expectations related to ESG risk management and mechanisms to monitor and enforce compliance with those expectations. AidData used these agreements to create indicators that measure the formal stringency of China's ESG safeguards built into its infrastructure grant and lending instruments. It then applied these metrics to the full GCDF 3.0 dataset.

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The insights in this profile are primarily derived from AidData's preliminary 2000-2022 Global Chinese Development Finance (GCDF) dataset, although it also draws upon ancillary data from other sources. This preliminary dataset has not yet been published. It builds upon AidData's publicly available GCDF 3.0 dataset, incorporating an additional commitment year of data and new information across all commitment years based on sources uncovered during the data collection process. GCDF 3.0 is a uniquely comprehensive and granular dataset that captures 20,985 projects across 165 low- and middle-income countries supported by loans and grants from official sector institutions in China worth \$1.34 trillion. It tracks projects over 22 commitment years (2000-2021) and provides details on the timing of project implementation over a 24-year period (2000-2023). An accompanying report, [*Belt and Road Reboot: Beijing's Bid to De-Risk Its Global Infrastructure Initiative*](#), analyzes the dataset and provides myth-busting evidence about the changing nature, scale, and scope of China's overseas development program.

For the subset of grant- and loan-financed projects and activities in the dataset that have physical footprints or involve specific locations, AidData has extracted point, polygon, and line vector data via OpenStreetMap URLs and produced a corresponding set of GeoJSON files and geographic precision codes. The GCDF 3.0 geospatial data and precision codes are provided in [AidData's Geospatial Global Chinese Development Finance Dataset, Version 3.0](#) (Goodman et al, 2024).

For any questions or feedback on this profile, please email china@aiddata.org.