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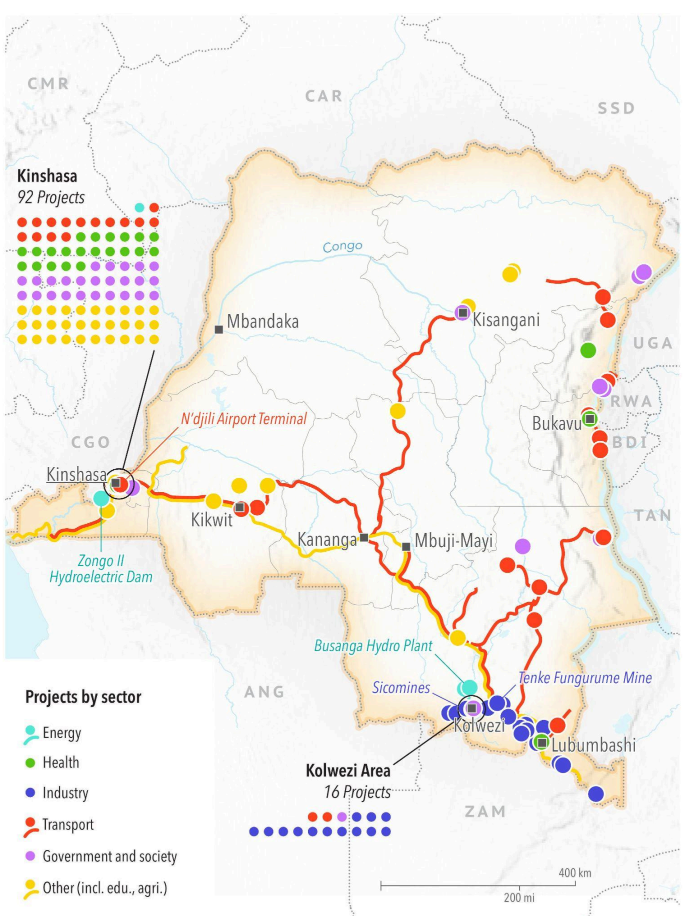
The Scale, Scope, and Composition of Chinese Development Finance

October 2025



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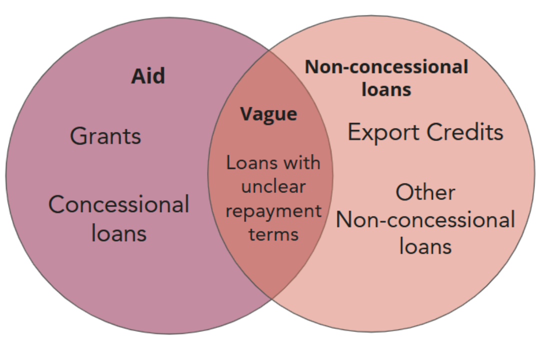
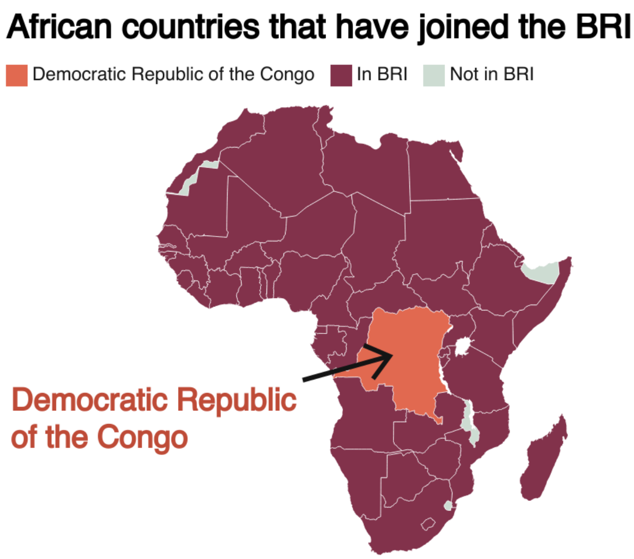
Key concepts: aid, non-concessional loans, and vague flows

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.



The DRC and China's Belt and Road

The DRC is a landlocked country in central Africa. In January 2021, during Chinese Foreign Minister Wang Yi's visit to the DRC, the two countries signed a Memorandum of Understanding (MoU), officially marking the DRC's entry into the BRI. The DRC maintains close diplomatic ties with China and has significantly benefited from Chinese aid and credit.

Historic relationship

The Democratic Republic of Congo (DRC) and the People's Republic of China maintained a diplomatic bilateral relationship starting in 1961, following the DRC's independence from Belgium. In 2003, the Second Congo War came to an end, which initially started in 1998 and followed the First Congo War between 1996 and 1997. The DRC has experienced 8 outbreaks of Ebola since 2000, with the most recent outbreak in 2020.[1]

Present-day relationship

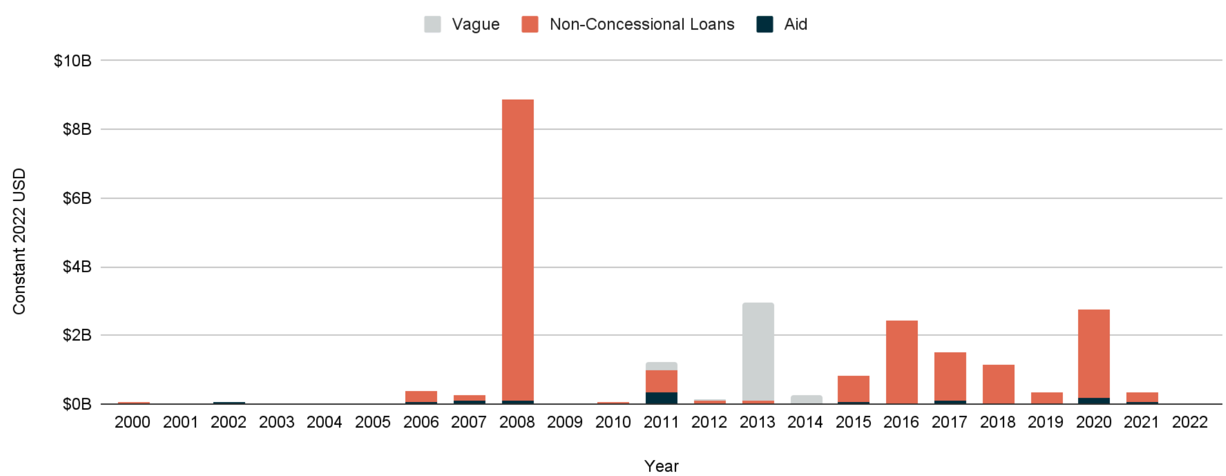
China's partnership with the DRC centers on financing and securing access to critical minerals—especially copper and cobalt, which are essential for the high-tech industries China is building at home and exporting abroad. Non-state armed groups, such as the March 23 Movement, have caused internal and external displacement of the Congolese in recent years.[2] Groups such as the World Bank and the UN World Food Program have halted funding and aid due to the ongoing instability and violence in the country. The UN Security Council first sanctioned the DRC in 2003 due to human rights violations, renewing their sanctions of the regime annually, with the most recent extension through July 2025.[3] In February 2025, China denounced the violent actions taken by M23 at a UN Security Council Meeting.[4]

[1]See U.S. Committee for Refugees for more information at https://refugees.org/wp-content/uploads/2020/12/USCRI-Backgrounder_DRC.pdf
[2]See International Rescue Committee for more information at https://www.rescue.org/article/crisis-drc-what-you-need-know-and-how-help
[3]See United Nations Press for more information at https://press.un.org/en/2024/sc15749.doc.htm
[4]See China's Ministry of Foreign Affairs press release for more information at https://www.mfa.gov.cn/eng/xw/zwbd/202502/t20250221_11559888.html

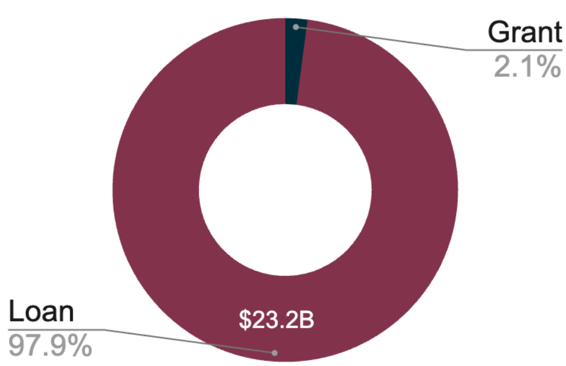
Overview: Chinese development finance in the DRC from 2000-2022

$23.7 billion in loans and grants provided by official sector donors from China.	98% of Chinese development finance is provided via loans.	159 grants, technical assistance, and training activities offered.	2nd largest recipient of Chinese aid and credit in Africa.	36% of China's infrastructure portfolio has significant ESG risk exposure.

Official sector financial commitments from China to the DRC, 2000-2022[5]

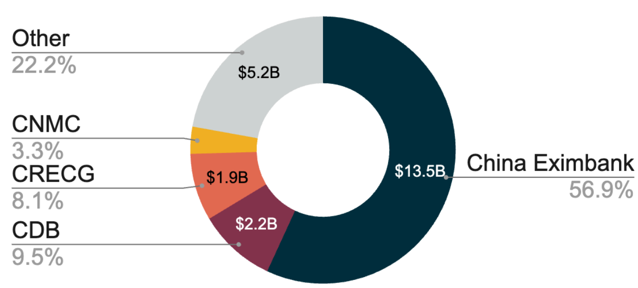


Portfolio by type of finance



Loans include concessional and non-concessional loans.

Portfolio by funder



China Eximbank: The Export-Import Bank of China; CDB: China Development Bank; CRECG: China Railway Engineering Corporation; CNMC: China Nonferrous Metal Mining

[5]For definitions of the categories of *aid*, *non-concessional loans*, and *vague*, please see Key Concepts on page 2 or Appendix B.

Section 1: China's development finance portfolio

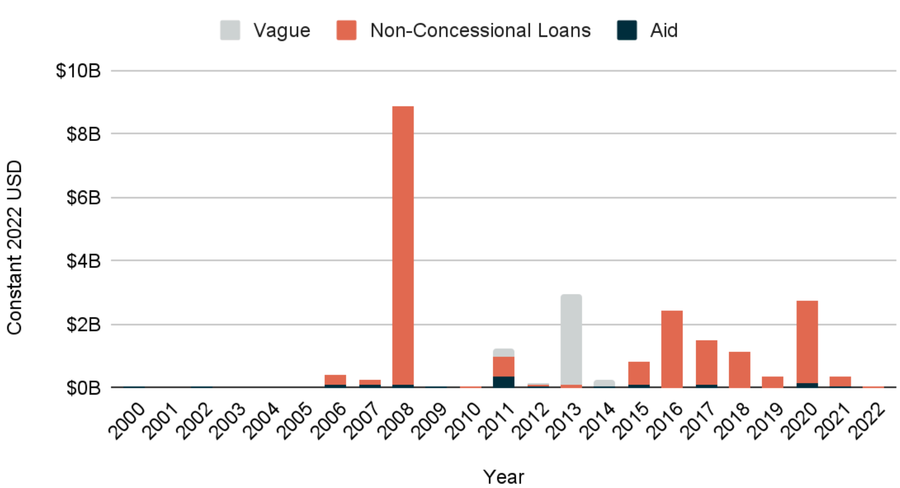
The DRC joined BRI in 2021. However, even before the agreement was signed, China had established itself as a major lender to the DRC (see Figure 1.1). As a resource-rich country, the DRC has been an attractive destination for Chinese investment to secure access to critical minerals like copper and cobalt. For a list of bilateral diplomatic visits between China and the DRC in the BRI era, see Appendix A.

The Democratic Republic of Congo (DRC) has faced repeated bouts of political instability in recent years, driven by non-state armed groups and recurring Ebola outbreaks. This volatility persisted into 2022, particularly in the conflict-ridden eastern provinces.[6] Despite ongoing domestic volatility in the DRC, China's development finance in the country has remained heavily focused on the mining sector, particularly through support for Sino-Congolais des Mines (Sicomines SARL; hereafter Sicomines) and its copper and cobalt extraction activities. Between 2008 and 2022, Chinese lenders participated in 62 projects linked to Sicomines, many of which involved infrastructure initiatives financed by loans collateralized against Sicomines revenues—amounting to $13.5 billion in financial commitments.

How much development finance has China provided to the DRC since 2000?

Between 2000 and 2022, official sector lenders and donors from China provided grant and loan commitments worth $23.7 billion for 279 projects and activities in the DRC. That makes the DRC—a country with a medium-size economy (GDP: $65.8 billion) and large population (102.4 million residents)—the 2nd largest recipient of Chinese aid and credit in Africa and the 14th largest recipient in the developing world. Several large loans recently uncovered that were committed between 2008-2020 have significantly expanded our understanding of Chinese financing to the DRC.

Figure 1.1: Official sector financial commitments from China to the DRC



Types of funding:[7]

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

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

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

[6]For more information on 2022 events in the DRC, please see Human Rights Watch's "World Report 2023."
[7]For more information on these categories, please see Appendix B.

China's official sector financing to the DRC peaked in 2008 with the signing of what was then the world's largest resource-for-infrastructure (RFI) deal (see Figure 1.1). The deal involved $8.7 billion in loan commitments (measured in constant 2022 prices) from Chinese state-owned creditors. As part of the agreement, a majority Chinese-owned joint venture—Sicomines SARL—was established to secure rights to the Sicomines copper-cobalt mine. In return, China Eximbank agreed to provide loans to the joint venture worth $4.5 billion for infrastructure projects across the DRC. Several Chinese creditors— including China Eximbank and Chinese state-owned companies Sinohydro and China Railway Engineering Corporation (CRECG)—also agreed to provide loans worth $4.2 billion to the joint venture for the development of the Sicomines mining site.

Since 2008, the RFI deal has faced significant controversy and renegotiation. Within the first five years, domestic and international pressures led to multiple amendments, including the removal of the DRC's sovereign guarantee for China Eximbank's loan, suspension of disbursements, and disputes over ownership stakes in Sicomines SARL. Scrutiny intensified after a secretive July 2017 amendment, negotiated by then-President Joseph Kabila, exempted Sicomines from taxes and allowed dividend payments to shareholders before external debt repayment, undermining the original debt-servicing structure. This shift, revealed by the 2021 EITI review, delayed infrastructure financing and eroded lender confidence.[8] A February 2023 audit by the DRC's Inspection Générale des Finances (IGF) found that only a third of the promised $4.5 billion for infrastructure had been disbursed, prompting further negotiations.

These negotiations led to a March 2024 amendment to the original RFI agreement, authorizing $5.8 billion in additional infrastructure financing between 2024 and 2040, including a $300 million government-guaranteed loan in 2024 and $324 million in annual grants, conditional on international copper prices. Grant amounts will adjust based on copper price fluctuations—reducing to zero if prices fall to $5,200/ton, and increasing by 30% if prices exceed $12,000/ton. While efforts to increase the DRC's equity in the Sicomines joint venture were unsuccessful, the amendment mandated 1.2% royalty payments on all copper and cobalt sales by Chinese stakeholders to the DRC government.[9]

The 2024 amendment is particularly notable for its emphasis on grant financing, a significant departure from the loan-centered structure of previous RFI agreements. By incorporating substantial annual grant commitments, the new arrangement provides a more predictable and stable stream of funding for infrastructure, reducing reliance on large, one-time loan commitments that contribute to the government's debt burden. This shift not only alleviates pressure on the DRC's debt portfolio but also introduces greater flexibility and responsiveness to market conditions, particularly through the copper price-linked adjustments in grant disbursements.

[8]EITI stands for Extractive Industries Transparency Initiative. The DRC first joined in 2007, with its latest review taking place in 2022. See the EITI website (2025) for more information: https://eiti.org/countries/democratic-republic-congo.
[9]For additional information, see AidData's Sicomines Copper-Cobalt Mining Profile at https://docs.aiddata.org/reports/china-transition-minerals-2025/Sicomines_Copper_Cobalt_Mine_Chinese_Financing_for_Transition_Minerals.pdf

How does China compare to other development partners?

China is the DRC's largest development partner (see Figure 1.2), providing more aid and credit than any other source. The United States is the second-largest, although almost $10 billion behind China. The two donors' funding differs significantly by type: U.S. flows are grants and concessional loans focused on health, population policies, and humanitarian aid, whereas China's portfolio is dominated by non-concessional loans and export credits for infrastructure and mining. The World Bank Group is the DRC's largest multilateral partner, providing $4.9 billion in aid focused on education, health, and humanitarian relief. Nearly 24% ($5.7 billion) of all development finance to the DRC from China is from export credits. Belgium is the third-largest development partner, due to the complex historic relationship between the two countries. Multiple countries and organizations have ceased or minimized their aid delivery:

- ➔ Several international organizations, like the World Bank and UNWFP, halted or suspended—either partially or in full—funding to the DRC because of conflict in 2023.
- ➔ United States: In February 2025, the U.S. dismantled its international aid organization, USAID. As conflict continues in the DRC, this internal change has also impacted critical aid delivery to the country.[10]

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

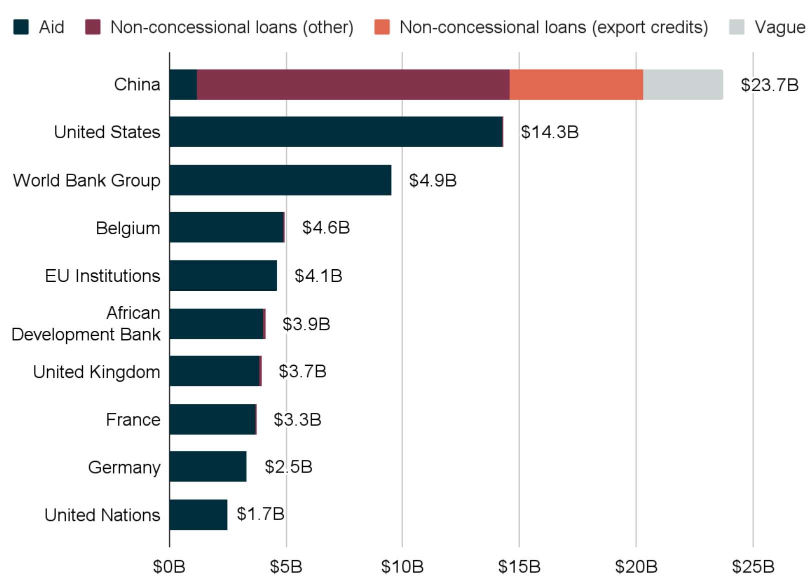


Figure 1.2 contains the top 10 development partners providing aid and other financing to the DRC. However, only China has detailed bilateral export credit flows to the DRC. This level of granularity is not available for other development partners as the OECD does not provide export credit data for bilateral relationships, it only provides data on total export credit flows by two aggregate donor groupings, G7 and DAC Countries.

Total export credits from G7 Countries: $104 million.

Total export credits from DAC member countries (including G7): $135 million.

How does China use export credits?

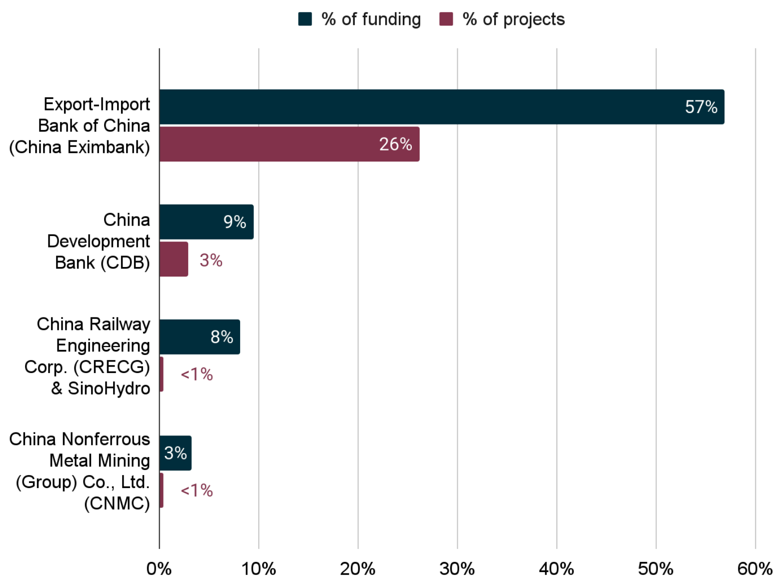
The central role that export credits play in China's overseas lending portfolio sets it apart from other official sector creditors: Under a so-called "Gentlemen's Agreement" on Officially Supported Export Credits, OECD member countries agreed in 1978 to "tie their own hands" and voluntarily abide by 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.

[10]For more information on suspended U.S. aid to the DRC, see the BBC (2025) at: https://www.bbc.com/news/articles/ckgy0d3pgv0o.

Which donors and lenders from China are active in the DRC?

Between 2000 and 2022, 35 official sector donors and lenders from China provided aid and non-concessional loans to the DRC. 77% of China's development finance portfolio is provided through 4 main donors and lenders (see Figure 1.3). The other 23% 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



China Eximbank: state-owned policy bank that primarily provides concessional loans and export credits.

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

CRECG and SinoHydro: two state-owned companies providing one of the largest loans to Sicomines.

CNMC: state-owned company providing one mining-related loan.

The top funding agencies are both state-owned policy banks. The Export-Import Bank of China issued 73 loans worth $13.5 billion for projects and activities, accounting for over half (57%) of total official sector financial flows from China to the DRC between 2000 and 2022. China Eximbank is the lender that facilitated the Sicomines $8 billion resource-for-infrastructure deal from 2008, which accounts for the majority of financing from China Eximbank during the 2000-2022 period.

China Development Bank (CDB) issued 8 loans worth $2.2 billion. The value of these loans represents 9% of total official sector financial flows from China to the DRC between 2000 and 2022. CDB loans are usually less concessional than those provided by China Eximbank, despite the fact that both institutions are state-owned policy banks.

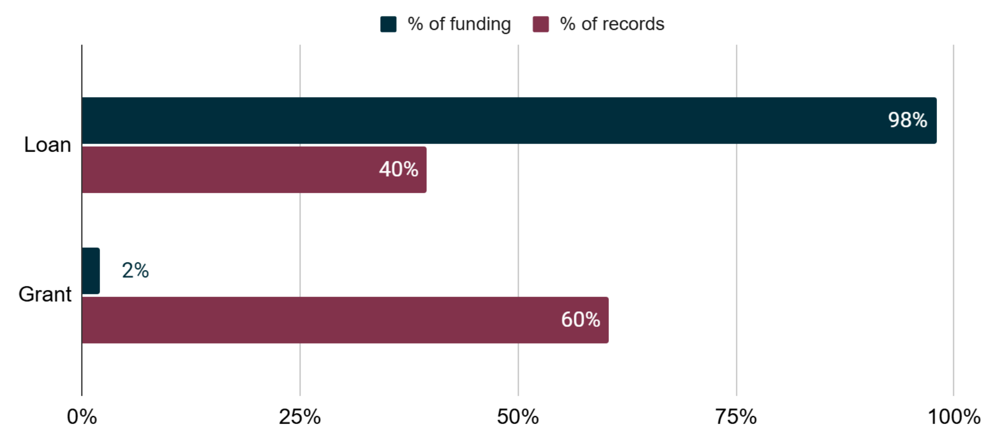
China Railway Engineering Corporation (CRECG) and SinoHydro extended one loan worth $1.9 billion (8% of total lending), the proceeds of which were used for the development of the Sicomines Copper-Cobalt Mine. These two companies own a combined 68% stake in the mine.

China Nonferrous Metal Mining (CNMC), a state-owned company, provided one loan worth $776 million (3% of total lending), which was dedicated for the development of the Deziwa Copper and Cobalt Mine, officially inaugurated in 2020.

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

98% of China's official sector financing to the DRC is provided via loans ($23.2 billion), while only 2% ($488 million) comes from grants and in-kind donations. Since in-kind donations are difficult to value, their financial significance is likely underreported. AidData captures each instance of a grant or in-kind donation as one record, so analyzing record counts can help provide a better picture of China's activities in DRC. By this measure, grants represent 60% of all records in the DRC between 2000 and 2022.

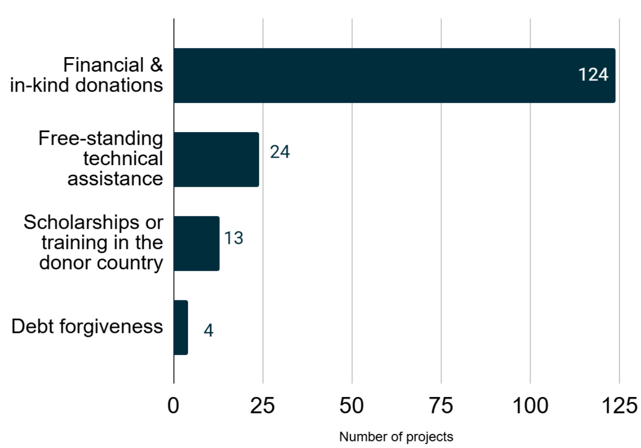
Figure 1.4: Top financial instruments used by China in the DRC



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

In the DRC, China has used credit enhancements, most notably collateralization, to de-risk its lending portfolio.[11] 66% of Chinese lending in the DRC—worth $15.6 billion—is backed by collateral, compared to 51% in China's global lending portfolio between 2000 and 2022. The high collateralization rate is linked to the Sicomines resource-for-infrastructure deal, with half of all lending to the country specifically collateralized against Sicomines' profits. Chinese lenders have used collateral as a risk mitigation measure to increase the probability of repayment.

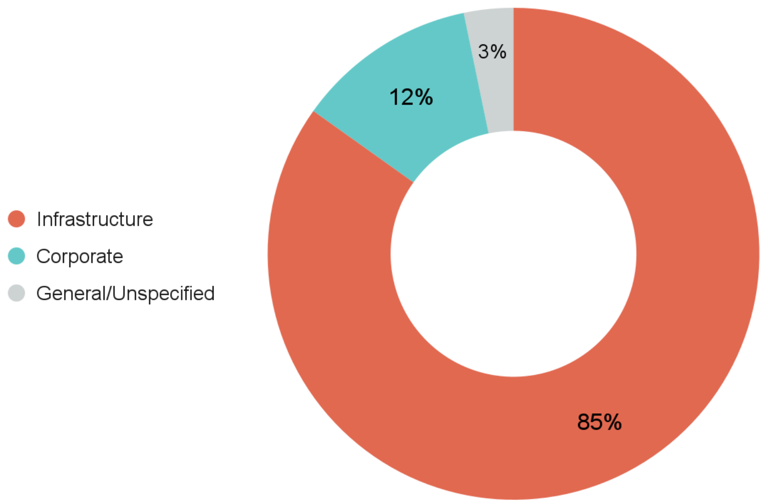
Figure 1.5: Breakdown of grants by project count



Between 2000 and 2022, China provided 165 financial and in-kind donations, including donations of medical supplies, food, and school equipment. 24 activities were free-standing technical assistance, which included the dispatch of medical experts and peacekeepers. 13 scholarships and training activities were recorded in the DRC, which were either Chinese government scholarships to Congolese students or training for civil servants. In 2022, the Chinese embassy awarded the Mulan Scholarship to female students at the University in Kinshasa. Four instances of debt forgiveness were captured (totaling $143 million).

[11] To learn more about credit enhancements, see Page 7 in AidData's TUFF Methodology 3.0 at https://docs.aiddata.org/ad4/pdfs/AidData_TUFF_methodology_3_0.pdf

Figure 1.6: Breakdown of lending by purpose



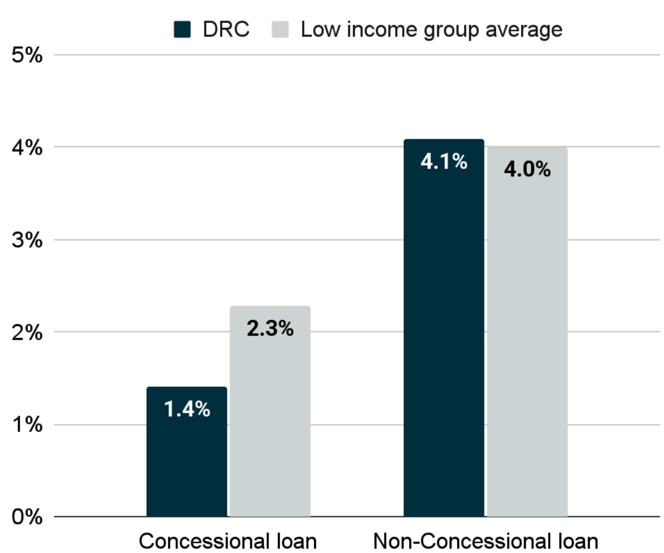
Infrastructure: loans to support the construction, rehabilitation, or maintenance of a physical structure.

Corporate: loans for mergers and acquisitions, working capital loans.

General/Unspecified: loans for equipment acquisition or unspecified purposes.

Nearly 85% of China's $23.2 billion in official sector lending to the DRC has supported infrastructure projects, reflecting the country's strong focus on mining and the 2008 RFI agreement. Although not all implementing agencies for RFI-funded projects are identified, it is estimated that around 25% of infrastructure lending has gone to projects involving at least one Chinese entity—whether a state-owned company, private firm, or a joint venture with majority Chinese ownership. Another 12% supports corporate sector activities, including large loans to facilitate mine acquisitions in the transition minerals sector (e.g. Tenke Fungurume), and working capital loans for copper and cobalt mining sites (including Sicomines). The remaining 3% of lending was for general support, usually represented by equipment acquisitions for infrastructure projects, or unspecified purposes.

Figure 1.7: Borrowing terms



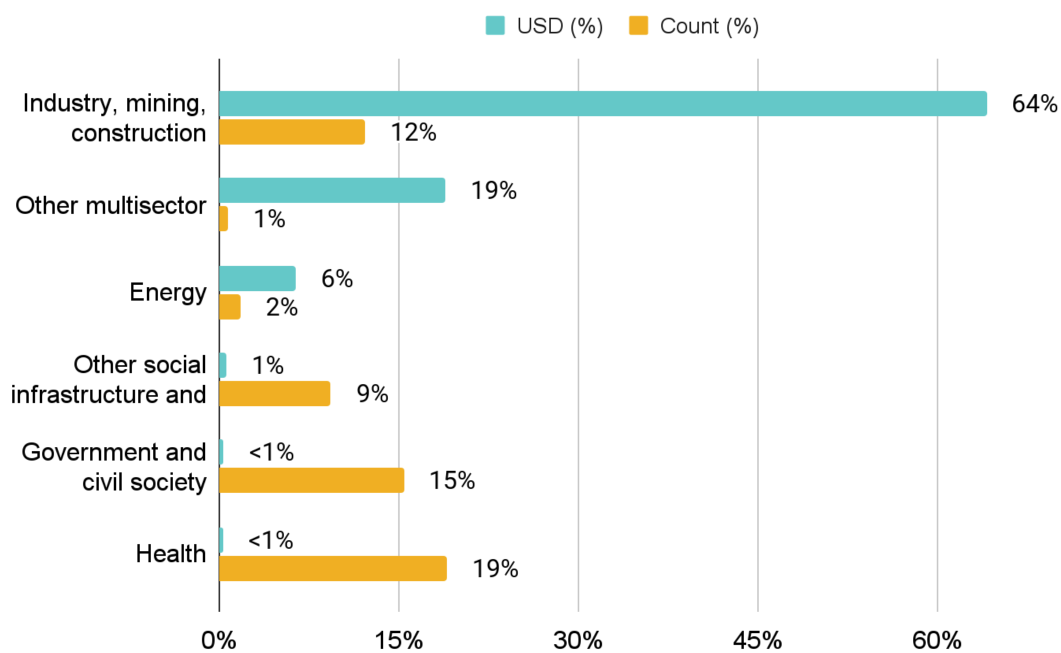
Between 2000 and 2022, China's concessional lending to the DRC carried a weighted average interest rate of 1.4% and a weighted average maturity of 18 years. By comparison, China's non-concessional lending to the DRC carried a weighted average interest rate of 4.1% and a weighted average maturity of 19 years. These borrowing terms were slightly more generous than those found in China's broader portfolio of official sector loans to low-income countries.

In which sectors is China most active?

Top sectors for China's aid and credit in the DRC differ greatly when comparing monetary values and record counts. Certain sectors, such as health and government and civil society, account for a large percentage of records but involve small financial commitment amounts. In Figure 1.8, AidData identifies the top sectors by monetary value and record count to demonstrate this dichotomy.

Figure 1.8: Selected top sectors

Sectors by monetary value and record count



In terms of monetary value, 89% of China's grant and loan commitments to the DRC supported three core sectors: industry, mining, construction, other multisector, and energy between 2000 and 2022.

- Industry, mining, construction: This sector, largest by financial commitment, includes manufacturing fossil fuels, mining for coal, gas, metals, minerals, and construction. Projects in this sector account for $15.2 billion (or 64% of China's development finance portfolio). Noteworthy activities in this sector include $9 billion allocated towards Sicomines SARL for the Sicomines copper and cobalt mining project, in addition to $2.4 billion provided by 5 Chinese state-owned banks for the acquisition of a 80% ownership stake of the Tenke Fungurume mine. In 2022, the China-Africa Fund for Industrial Cooperation (CAFIC) provided a $20 million loan for the Lonshi Copper mining, processing, and smelting project.
- Other multisector: This sector includes projects that span multiple areas. In the DRC, funding for this sector represents a large loan commitment worth $4.5 billion (or 19% of China's total portfolio in the country) that was part of the RFI deal struck in 2008. Under this deal, China Eximbank financed numerous infrastructure projects through the Sino-Congolese Fund between 2008 and 2022. All subsidiary loans under this

arrangement are collateralized by profits from the Sicomines Copper-Cobalt Mine. While transportation projects—such as road rehabilitation and construction—are the most common, the portfolio also includes stadiums, a hospital, an airport terminal, and a water treatment facility. In 2023, an audit of this infrastructure agreement found that approximately one-third of the funding was ultimately disbursed as individual subsidiary loans.

- Energy: This sector is the third largest sector by monetary value at $1.5 billion (or 6% 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. Large-scale activities in the energy sector include a $760 million overseas investment loan from China Eximbank for the 240 MW Busanga Hydroelectric Power Plant Project. This power plant project was developed by the Sicomines joint venture company to provide electricity to the mine. Since 2018, no new projects have emerged in this sector.

China is also heavily engaged in other sectors, such as health, education, and governance. Here, China's footprint in these sectors is difficult to represent, because the activities in these sectors usually attract smaller grant and loan commitments, or represent some form of in-kind donation, technical assistance, etc.

- Health: This sector includes medical care, infrastructure, equipment, and control activities. In total, activities in the health sector represent 53 records in China's portfolio in the DRC (or 19% of records). Notable activities include donations by the Chinese government for medical supplies in response to the COVID-19 pandemic and Ebola outbreaks. In response to the COVID-19 pandemic, China donated more than $10 million to the DRC. China's donations included 400,000 Sinovac vaccines, over 50,000 masks and more than 200 thermometer guns. In 2022, the Chinese Embassy in the DRC provided more anti-epidemic materials to the University of Kinshasa and dispatched a medical team to provide medical and logistical support to the Sino-Congolese Friendship Hospital.
- Government and Civil Society: This sector encompasses activities that address public procurement, subnational government support, elections, democratic participation, and human rights. This sector is the second-largest sector by record count, representing a total of 42 records (or 15% of the total record count). China's activities in this sector include grants from the Chinese government and embassy for the dispatch of medical experts and peacekeepers to the DRC, as well as provision of material used for elections.
- Other social infrastructure and services: This sector refers to other services and infrastructure projects not included in other sectors, such as pensions, protections, housing, recreation, and culture. China's financial commitments to this record accounted for 9% of its overall portfolio in the DRC, worth $138 million and including 26 projects between 2000 and 2022. Here, the largest singular financial commitment was a grant worth $86 million committed by the Chinese government for the Central African Culture and Art Center and the National Academy of Arts construction in Kinshasa. No further commitments were made in this sector since 2019, when the Chinese government issued a grant for the construction of the National Institute for Professional Preparation in the city of Kolwezi.

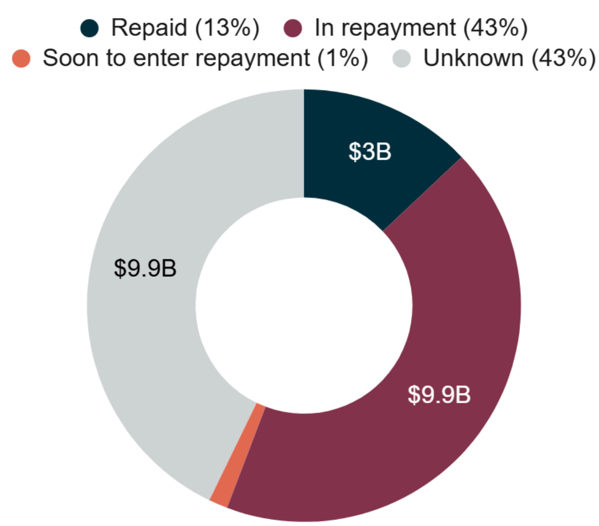
Section 2: The DRC's debts to China

108	$23.2 billion	28%	43%
loans issued	cumulative value of loan commitments (35% of GDP)	of total debt shows signs of financial distress	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 the DRC'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 DRC's debt exposure to China.

Figure 2.1: Repayment status for all loans from China

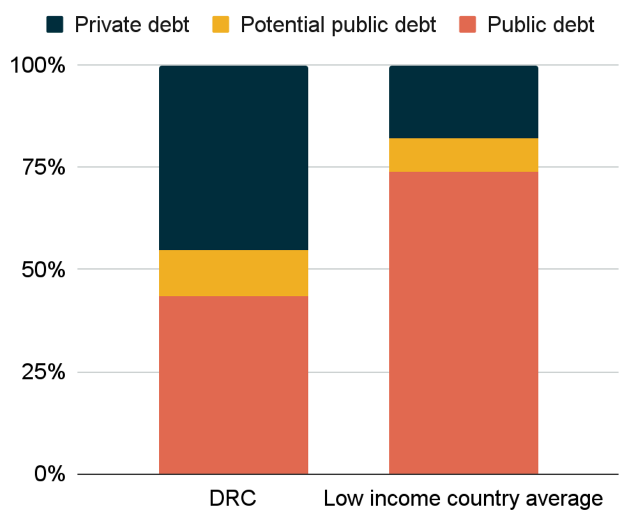


There are currently 79 loans for which AidData has access to repayment details. 60 of those loans (worth $9.9 billion) are currently in their repayment periods. 12 loans (worth $3 billion) have exited their repayment periods—meaning they were repaid according to the original repayment schedule. Another 7 loans (worth $330 million) will enter their repayment period soon.

However, the amount in repayment may be underestimated, since there are 29 loans (worth $9.9 billion) for which AidData has insufficient repayment details.

Figure 2.2: Composition of debt from China by public liability

Total debt, 2000-2022—The DRC: $23.2 billion. Low income country average: $6 billion.



The bulk of the DRC's liabilities—45%—are classified as private or other debt, compared to the 14% amongst other low income countries. This higher share of private debt reflects the significant role of Chinese state-owned enterprises in the DRC's mining sector, where these companies take on Chinese loans to fund their operations. Other infrastructure financing extended to, or guaranteed by, the DRC government makes up most of the country's public debt (43%), far below the average 74% from the low-income country group.

$2.6 billion (11%) of China's official sector lending to the DRC qualifies as "potential public sector debt."[12] These are loans that Chinese state-owned creditors have extended to SPVs and JVs in which the DRC government has minority ownership stakes. Potential public sector debt is not a formal liability of the host government, but it may benefit from an implicit public sector repayment guarantee and could become a host government liability in the event of default by the original borrowing SPV or JV entity.

By 2022, more than a quarter (28%) of China's cumulative loan commitments to the DRC—whether publicly guaranteed or not—were already in financial distress, underscoring the scale of repayment risk Beijing faces in one of its most resource-rich partners. Evidence of financial distress in the DRC includes accruing principal and interest arrears across several loans involving Sicomines and Zongo II Hydroelectric Dam beginning between 2019 and 2022. According to the World Bank and IMF, the DRC is classified as moderate risk for overall and external debt distress.[13]

In 2020 and 2021, to help alleviate debt burdens arising during the COVID-19 pandemic, China Eximbank participated in the G20-initiated Debt-Service Suspension Initiative (DSSI) with the DRC. In 2020, China Eximbank suspended principal and interest payments between May to December 2020 worth $13.4 billion. In 2021, China Eximbank and the DRC again signed a debt suspension agreement with an estimated suspension amount worth $14.2 billion, with loans due in 2021 suspended. In January 2021, China cancelled debt worth 180 million RMB of DRC's interest-free loan obligations to China that matured in 2020.

[12]For more on this issue, see Malik and Parks (2021) at https://www.aiddata.org/publications/banking-on-the-belt-and-road

[13]For more information on the World Bank-IMF's analysis of the DRC's external debt, please see http://documents.worldbank.org/curated/en/099080323162095216/BOSIB040df2f920830aa1c06ae084c177e2

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

Chinese infrastructure in DRC with ESG risk exposure:		
35 infrastructure projects supported by grants and loans from China	$6.4 billion in loan commitments supporting infrastructure projects	36% of infrastructure lending with ESG risk exposure

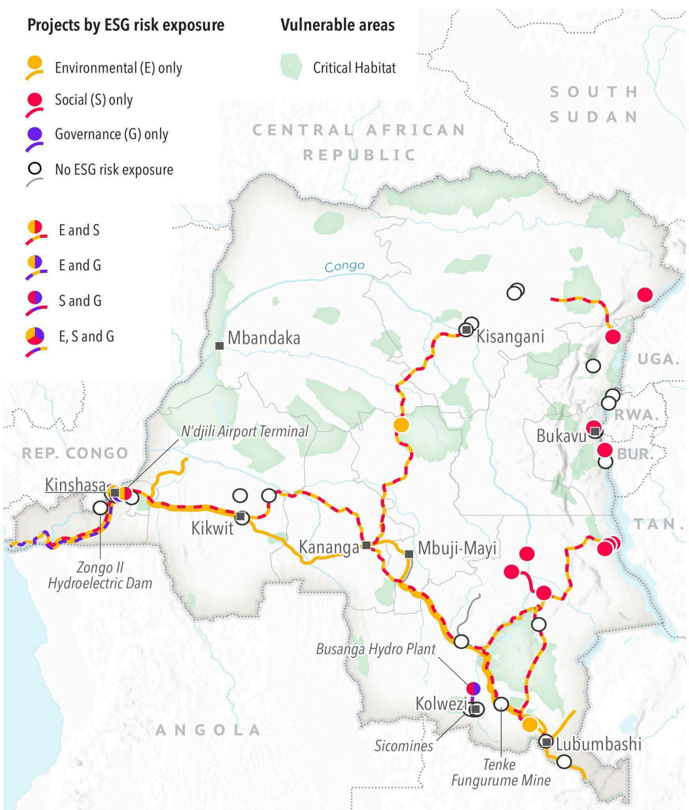
Examples of global ESG risks

Environmental: increase in air or water pollution, biodiversity loss, deforestation, increased carbon footprint, or natural resource depletion.

Social: poor labor law compliance, human rights abuses, displacement of local residents, or archaeological or cultural heritage site degradation.

Governance: corruption, money laundering, lack of transparency, and non-competitive bidding processes.

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 (see Appendix B for details on the ESG risk exposure methodology).[14]

Figure 3.1 presents the geographic locations of all Chinese-financed infrastructure projects in the DRC according to their environmental, social, or governance risk exposure. ESG risk exposure in infrastructure projects is distributed across all of the DRC, with social risk being the most prevalent risk. Most of DRC's infrastructure projects with ESG risks on this map denote mining and hydropower projects.

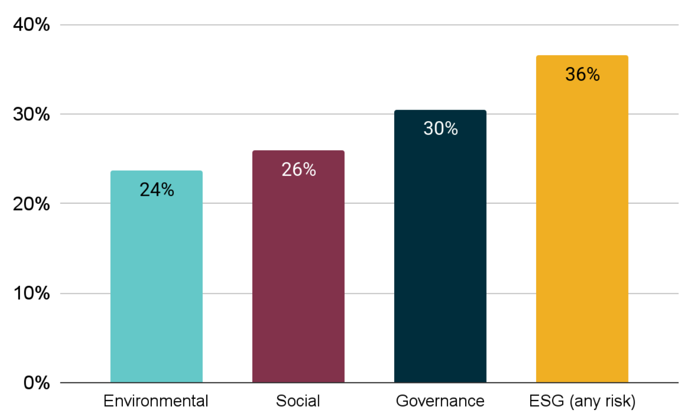
[14]For more information, see AidData's 2023 "Belt and Road Reboot: Beijing's Bid to De-Risk Its Global Infrastructure Initiative" report. https://www.aiddata.org/publications/belt-and-road-reboot.

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

In China's broader portfolio of grant- and loan-financed infrastructure projects in the developing world, the cumulative share of financing associated with significant ESG risks rose sharply from 12% to 54% between 2000 and 2021—highlighting major implementation challenges for China's flagship infrastructure initiative. In the DRC, over one-third (36%) of the DRC's infrastructure projects funded by Chinese financiers are classified as having significant ESG risk exposure. This subset of the portfolio includes 35 infrastructure projects with a combined value of $6.4 billion. Environmental, social, and governance risks appear at nearly equal rates across these projects (24-30%) with many facing multiple types of ESG risk simultaneously (see Figure 3.2).

Given that a large share of Chinese-financed infrastructure in the DRC supports mining activities, actual ESG risk exposure may be even higher than reported. The dense concentration of mining and industrial projects in areas like Kolwezi complicates efforts to attribute specific ESG risks to individual sites or financiers. While environmental and human rights organizations frequently highlight poor conditions in this region, the overlap of multiple mining operations makes it difficult to identify which projects or actors are the primary sources of harm. This ambiguity poses challenges for accountability and effective risk mitigation.

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



ESG issues observed in the DRC

Environmental: illegal logging and mining, pollution (e.g. at Sicomines and other Kolwezi copper and cobalt mines).

Social: displacement and resettlement, lack of adequate compensation (e.g. 240 MW Busanga Hydroelectric Power Plant Project).

Governance: overpricing, corruption charges (e.g. National Fiber-Optic Network Backbone Project).

Figure 3.3: Cumulative proportion of infrastructure project financing with ESG risk exposure

DRC: 36% (2022). Low income country average (2022): 55%.

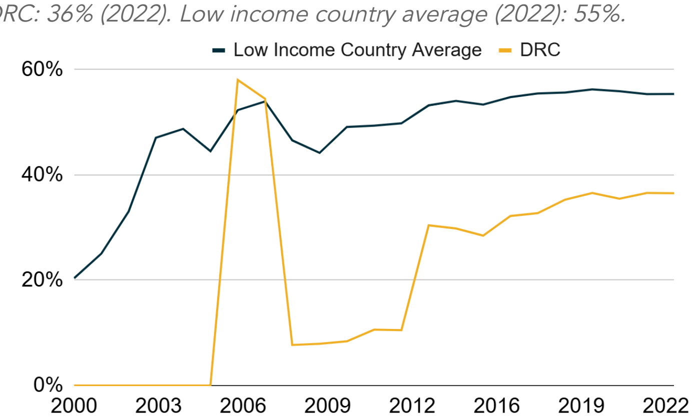


Figure 3.3 shows the rise in ESG risk exposure over time compared to the average for all low income countries. The DRC's ESG risk exposure from its Chinese grant- and loan-financed infrastructure portfolio does not follow the general trend, remaining at a much lower share of total infrastructure financing except in 2006 and 2007. Since 2019, there have been only small fluctuations in the proportion of DRC projects with ESG risk exposure.

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

Percent of infrastructure portfolio with strong ESG safeguards	What are ESG safeguards?
5.5% 2000-2022	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.

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 can 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 dialing 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

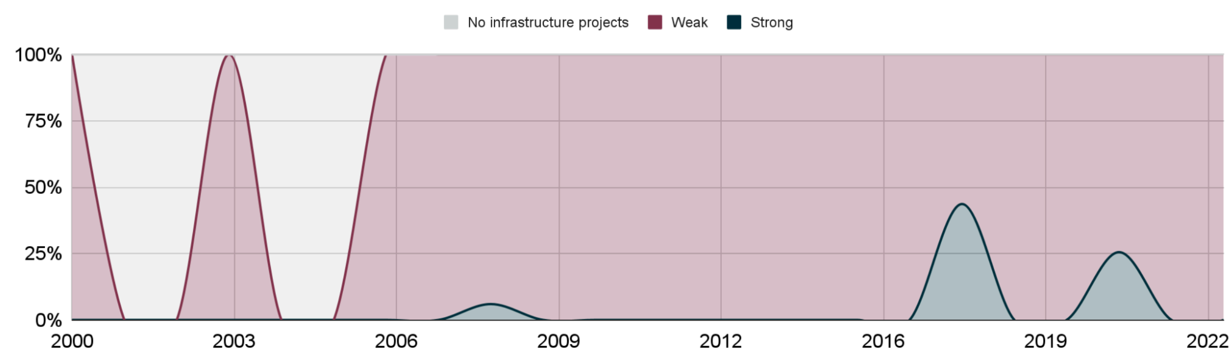
Has China increased ESG safeguard stringency in its infrastructure portfolio in the DRC over time?

Between 2000 and 2022, 23% of China's grant- and loan-financed infrastructure project portfolio had strong contractual ESG safeguards in place across all developing countries. In comparison, the vast majority of China's grant and loan-financed infrastructure projects in the DRC lacked strong contractual ESG safeguards. AidData estimates that only 5.5% of these projects included robust safeguards during this period, not falling in line with the broader global trend.

This stands in contrast to trends in China's global infrastructure portfolio, where strong ESG safeguards have generally increased over time. Globally, this improvement has been driven by China's growing participation in syndicated lending with Western banks and multilateral institutions—an approach not reflected in the DRC. In the DRC, China's syndicated lending has involved only Chinese banks, limiting China's ability to outsource ESG risk mitigation activities and provide stronger contractual safeguards through its syndicated partners.

While there have been isolated improvements—44% of projects in 2017 and 26% in 2020 featured strong safeguards—China's broader trend of adopting stronger safeguards has yet to consistently take root in the DRC.

Figure 4.1: Infrastructure project portfolio with strong contractual ESG safeguards[15]
Percent of infrastructure project portfolio committed each year



[15]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 the DRC in the BRI era

According to polling conducted by Gallup in the DRC, citizens of the DRC held an average approval rate of 79% toward Chinese leadership.[16] This is significantly higher than Gallup data collected for the rest of the world between 2005 and 2022, with the global average at 60.1%. The DRC's approval rate was highest in 2011, at 83%, and lowest in 2017, at 77%. In 2022, approval rate stood at 76.4%.

Figure A.1: DRC's approval of Chinese leadership, 2008-2022[17]

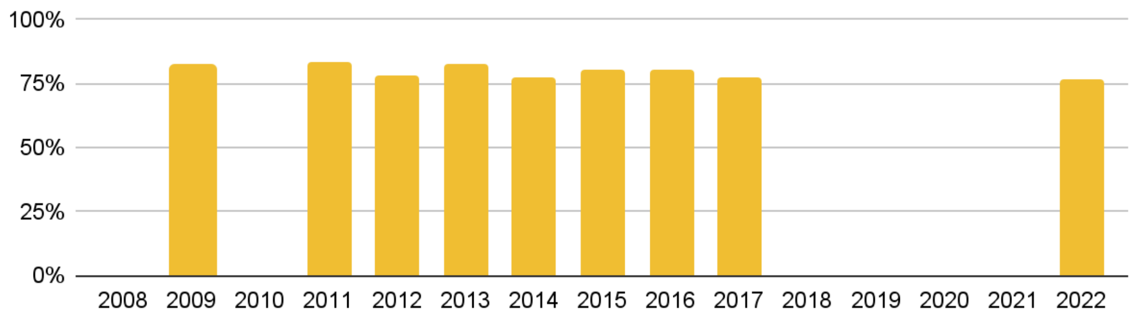


Figure A.2: Bilateral diplomatic visits between China and the DRC

2015 JAN	Chinese Foreign Minister Wang Yi met with DRC Prime Minister Augustin Matata Ponyo in the DRC to discuss deepening bilateral ties.
2015 JUL	DRC Minister of Foreign Affairs and International Cooperation Raymond Tshibanda visited Beijing to meet Foreign Minister Wang Yi.
2016 OCT	Minister Raymond Tshibanda met with Minister Wang Yi and held diplomatic talks before attending the Forum on China-Africa Cooperation.
2021 JAN	Minister Wang Yi met with DRC President Felix Tshisekedi in the DRC where a memorandum of understanding was signed, officially marking the DRC's participation in the Belt and Road Initiative.
2023 MAY	President Tshisekedi visited China for the first time as head of state to meet with President Xi and elevate their bilateral relationship to a comprehensive strategic cooperative partnership.
2024 SEP	DRC President Felix Tshisekedi visited China and met with Xi Jinping ahead of the FOCAC summit, where bilateral cooperation agreements were made.

[16]This 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.. For the DRC, AidData has Gallup data for 2009, 2011-2017, and 2022-2024. For more information on the Gallup methodology, see https://www.gallup.com/178667/gallup-world-poll-work.aspx

[17]The 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.

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 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 the Democratic Republic of the Congo 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. AidData determined that these additional financial flows would not substantially change Figure 1.2.

Calculating loans from China within repayment periods

Figure 2.1 shows the percentage of official sector lending from China to DRC 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. 2022 data on ESG risk exposure at the global level is currently only available through 2021.

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).

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