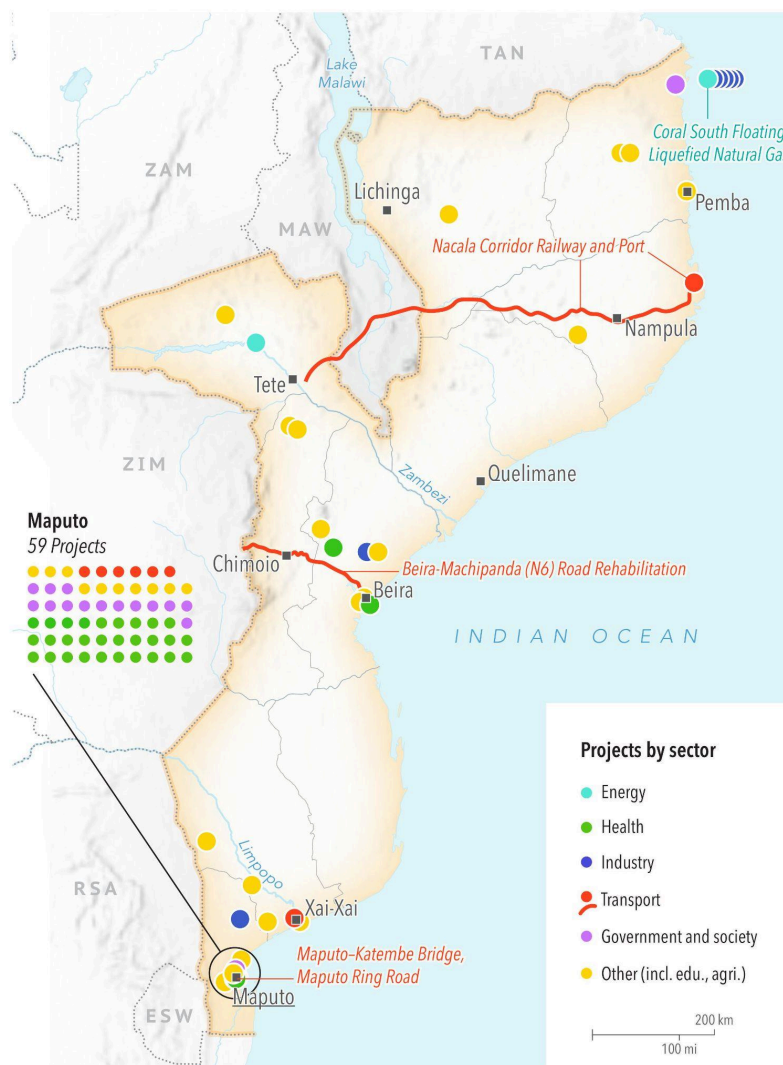


# Mozambique

## The Scale, Scope, and Composition of Chinese Development Finance

October 2025



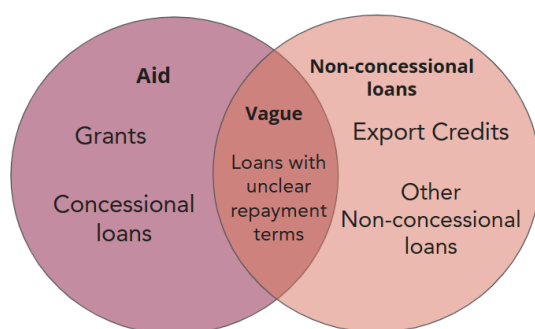
Lea Thome, Brooke Escobar

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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 Mozambique

African countries that have joined the BRI

■ In BRI ■ Mozambique ■ Not in BRI



### Mozambique and China's Belt and Road

Mozambique is a country in Southeast Africa, along the Mozambique Channel. A significant milestone in this ongoing cooperation occurred in November 2016 when Mozambican President Nyusi traveled to Beijing to establish a “Comprehensive Strategic Partnership” between the two countries. Ultimately, this led to the signing of a Memorandum of Understanding in 2018, when Mozambique joined the BRI.

### Historic relationship

China and Mozambique have maintained official diplomatic ties since 1975, but their relationship predates independence, when Beijing supported FRELIMO's liberation struggle in the 1960s. A 1982 trade agreement formalized economic cooperation, and Hu Jintao's 2007 visit—the only by a Chinese president—signaled Beijing's interest in deepening ties. In 2025, the two countries marked the 50th anniversary of their bilateral relationship, highlighting a partnership rooted in solidarity and sustained by political and economic cooperation.<sup>1</sup>

### Present-day relationship

China's engagement in Mozambique spans multiple sectors, including transport infrastructure, communications, trade, and agriculture. Yet the largest focus is on the country's natural gas wealth. Many of Beijing's biggest loan commitments have centered on floating liquefied natural gas (FLNG) ventures off the Mozambican coast.

A significant feature of China's activity in Mozambique includes Chinese state-backed financiers channeling large loan commitments to Chinese companies—particularly China National Petroleum Corporation (CNPC)—to drive investment in Mozambique's natural gas sector. These arrangements demonstrate how Beijing leverages development finance to secure strategic footholds for its state-owned companies in extractive industries more broadly.

Between 2012 and 2017, Chinese financiers provided loan commitments for large infrastructure projects in the country, including the Maputo Ring Road, the Maputo Bridge, and the Nacala Corridor Railway. Since 2017, however, new loans and grants have slowed sharply, reflecting heightened instability as an Islamist insurgency in Cabo Delgado displaced nearly a million people and reshaped the risk calculus of external financiers.

<sup>1</sup>For more information on Mozambique's political timeline, see BBC (2019) at <https://www.bbc.com/news/world-africa-13890720>; Embassy of the PRC in the U.K. and Ireland (2025). “Xi Jinping Exchanges Congratulatory Messages with Mozambican President Daniel Francisco Chapo on the 50th Anniversary of the Establishment of China-Mozambique Diplomatic Relations.” [http://gb.china-embassy.gov.cn/eng/zgyw/202506/t20250626\\_11659299.htm](http://gb.china-embassy.gov.cn/eng/zgyw/202506/t20250626_11659299.htm).

# Overview: Chinese development finance in Mozambique from 2000-2022

**\$9.5 billion**

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

**95%**

of Chinese development finance is provided via loans.

**106**

grants, technical assistance, and training activities offered.

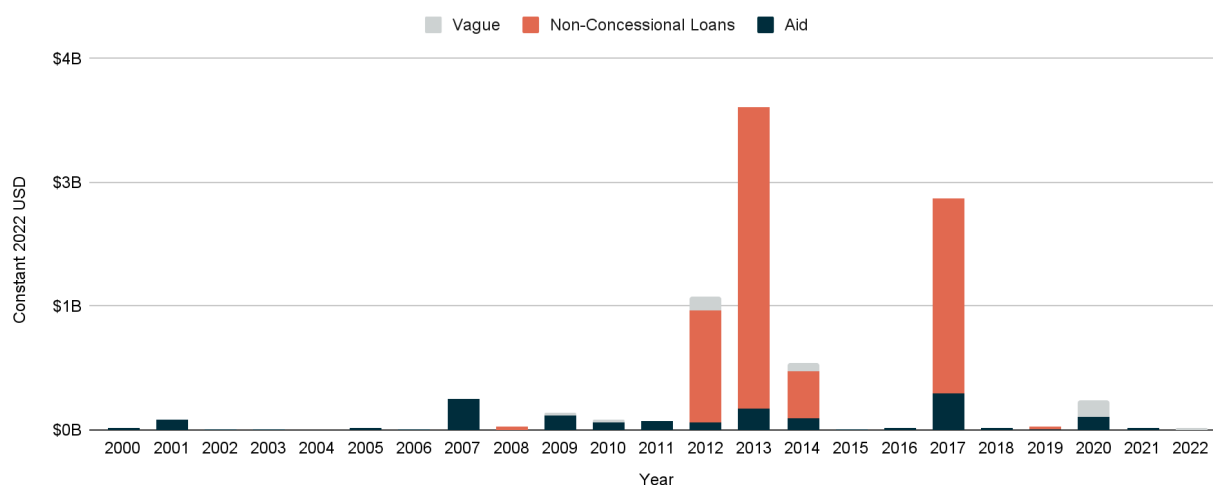
**12th**

largest recipient of Chinese aid and credit in Africa.

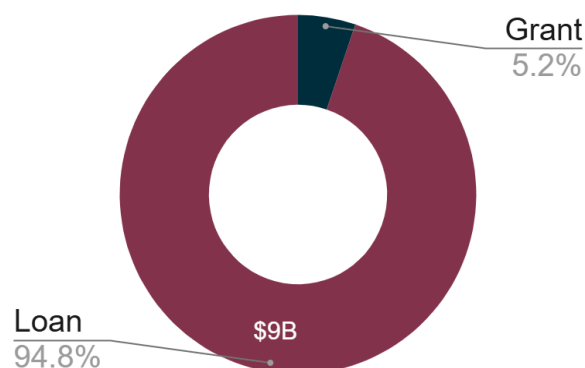
**74%**

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

## Official sector financial commitments from China to Mozambique, 2000-2022<sup>2</sup>

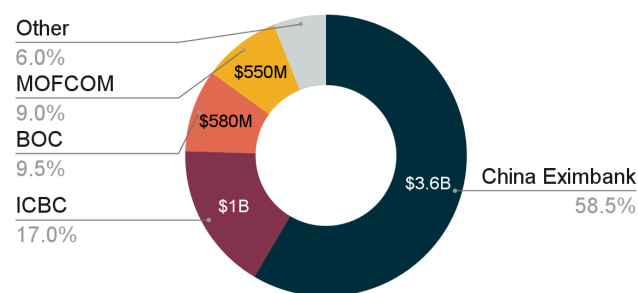


## Portfolio by financial instrument



Loans include concessional and non-concessional loans.

## Portfolio by funder



China Eximbank: Export-Import Bank of China;  
ICBC: Industrial and Commercial Bank of China;  
BOC: Bank of China; MOFCOM: Chinese Ministry of Commerce

<sup>2</sup>For definitions of the categories of aid, non-concessional loans, and vague, please see Key Concepts on page 2 of Appendix B.

# Section 1: China's development finance portfolio

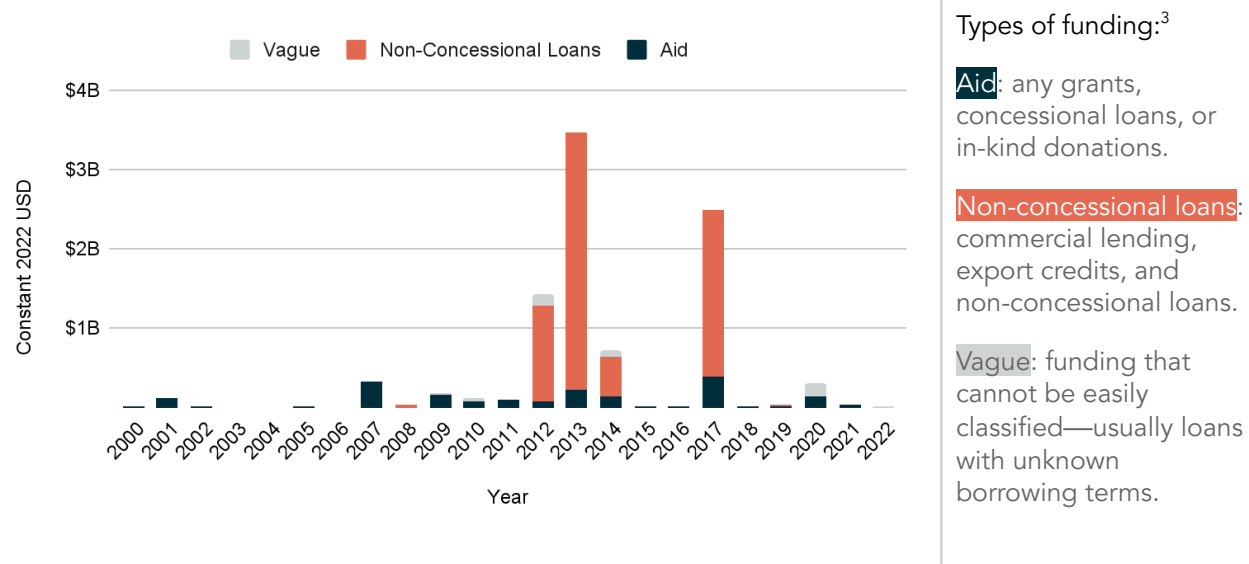
Mozambique officially joined China's BRI in 2018. However, even before joining the BRI, Mozambique has been the beneficiary of Chinese lending and grants (see Figure 1.1). In recent years, Mozambique has been undergoing an insurgency in its northern region of Cabo Delgado at the hands of Islamic State militants, displacing the local population and causing violence. As such, China's financial commitments since 2017, the year the insurgency began, have decreased. For a list of bilateral diplomatic visits between China and Mozambique in the BRI era, see Appendix A.

## How much development finance has China provided Mozambique since 2000?

Between 2000 and 2022, official sector lenders and donors from China provided grant and loan commitments worth \$9.5 billion for 152 projects and activities in Mozambique. Mozambique, with a relatively small economy (GDP: \$18.9 billion) and medium-sized population (32.6 million residents), is the 12th largest recipient of Chinese aid in Africa and the 46th largest recipient in the developing world.

China's financing to Mozambique peaked in 2013, with a \$2.9 billion loan directed to CPNC to acquire a minority stake in Eni East Africa, a natural gas company. Another wave of major financing followed in 2017, with nearly \$2 billion in non-concessional loans—about \$1.8 billion of which supported the Coral South Floating Liquefied Natural Gas Project. Prior to 2012, China's development finance portfolio in Mozambique was relatively limited and focused mainly on aid. Since 2017, however, financing has declined sharply, likely due to the outbreak of insurgency and ongoing instability in the country.

Figure 1.1: Official sector financial commitments from China to Mozambique



<sup>3</sup>For more information on these categories, please see Appendix B.

## How does China compare to other development partners?

From 2000 to 2022, China represents the most active development partner in Mozambique, overtaking the U.S. (see Figure 1.2), which focused disbursements on combating HIV/AIDS and humanitarian assistance. The World Bank Group was the largest multilateral development partner, providing over \$8.3 billion in financing to Mozambique in supporting projects including energy generation and rural electrification as well as economic reforms in the country. Chinese financing included \$1.6 billion in export credits, accounting for 16% of its portfolio. While multilateral and bilateral donors have stepped up resources in response to climate and humanitarian pressures, aid flows are increasingly under threat: the U.S. slashed its foreign assistance budget in early 2025, cutting back USAID operations in Mozambique, and several international NGOs, including the Norwegian Refugee Council, suspended humanitarian programs amid rising political volatility in 2024.

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

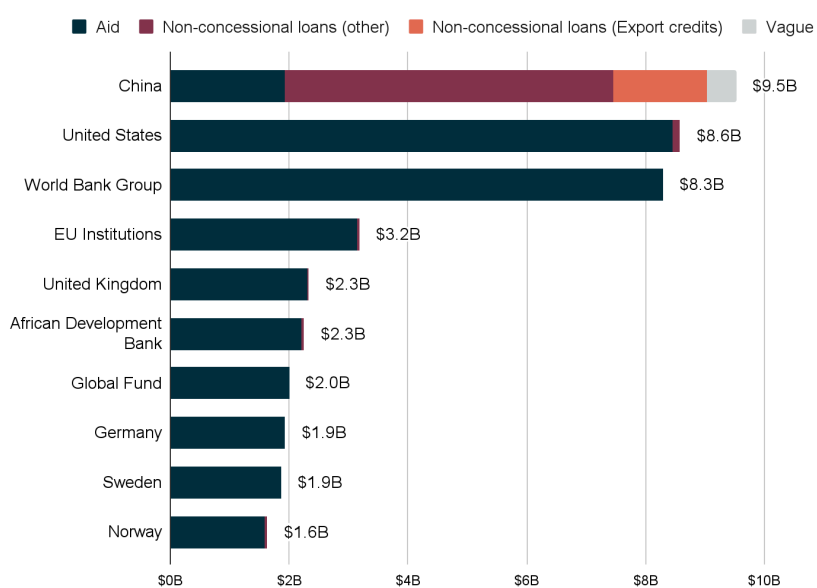


Figure 1.2 contains the top 10 development partners providing aid and other financing to Mozambique. However, only China has detailed bilateral export credit flows to Mozambique. This level of granularity is not available for other development partners as the OECD does not provide export credit data 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 Countries: \$254 million.

Total export credits from DAC member countries (including G7): \$1.4 billion.

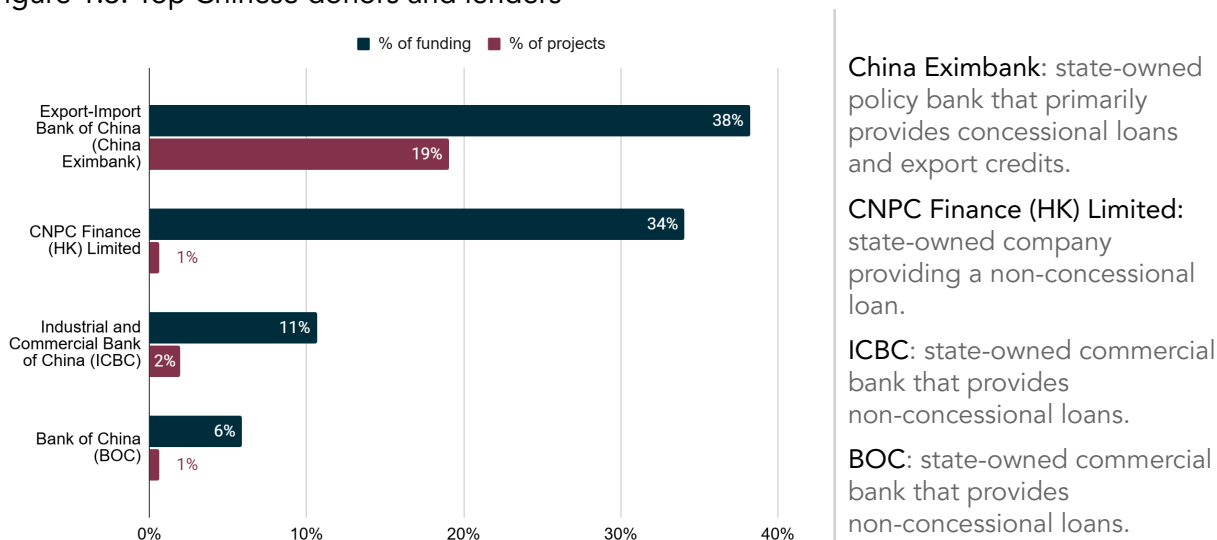
### How does China use export credits?

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 Mozambique?

Between 2000 and 2022, 29 official sector donors and lenders from China provided aid and non-concessional loans to Mozambique. This number is greater than the rest of China's development finance portfolio, which averages 19 state-owned donors and lenders in a given country. 89% of China's development finance portfolio is provided through 4 main donors and lenders (see Figure 1.3). The remaining 11% of funding is provided by 25 other agencies, including regional or municipal government agencies and state-owned companies.

Figure 1.3: Top Chinese donors and lenders



The top funding agency by monetary value is the Export-Import Bank of China (China Eximbank). China Eximbank is a state-owned policy bank that provides concessional loans and export credits. Between 2000 and 2022, it issued 29 loans worth \$3.6 billion, representing almost three-fifths of total official sector financial flows from China to Mozambique. With the exception of one project in 2000, China Eximbank was most active in Mozambique between 2007 and 2021, with the largest pledged financial commitment in 2012 for the Maputo-Katembe Bridge construction worth \$781 million.

CNPC Finance (HK) Limited is a state-owned company and a subsidiary of China National Petroleum Corporation. It provided one massive loan worth \$3.2 billion in 2013—or 34% of total official sector commitments from China to Mozambique from 2000 to 2022. This loan facilitated the acquisition of a minority stake in Eni East Africa, one of the companies also behind the development of FLNG units in Mozambique, by CNPC.

The Industrial and Commercial Bank of China (ICBC) is the third-largest funding agency active in Mozambique. Between 2000 and 2022, ICBC extended 3 loans worth a total of \$1 billion between 2017 and 2020. Together with China Eximbank and Bank of China, ICBC also contributed \$618 million in 2017 to a syndicated loan for the construction of a floating liquefied natural gas (FLNG) facility off Mozambique's coast. No new commitments have occurred since 2020.

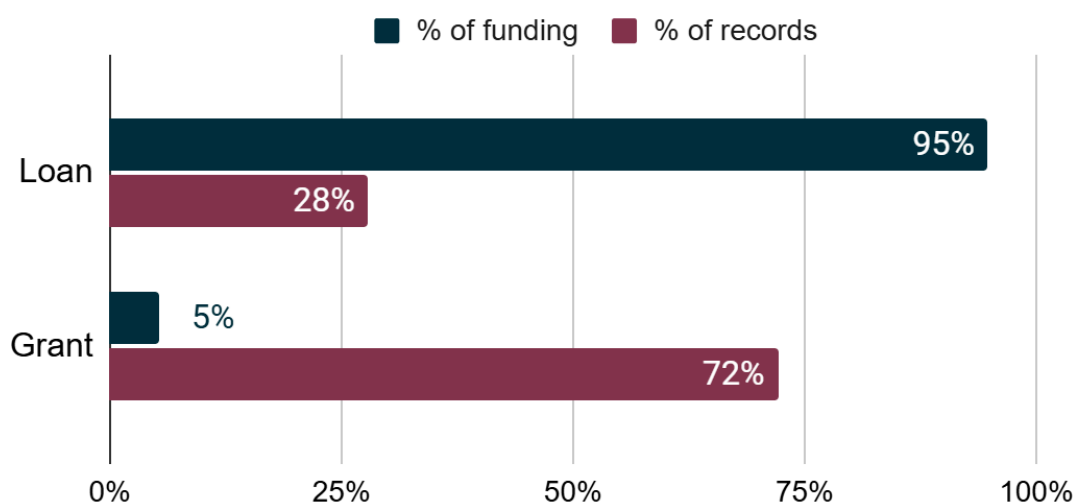
The Bank of China (BOC), a state-owned commercial bank which provides non-concessional loans, was the fourth largest active lender in Mozambique. BOC was responsible for one loan, worth \$562 million committed in 2017, which was part of a syndicated loan for the same floating liquefied natural gas project with ICBC and China Eximbank. Since 2017, BOC has not contributed more financing to projects in Mozambique.



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

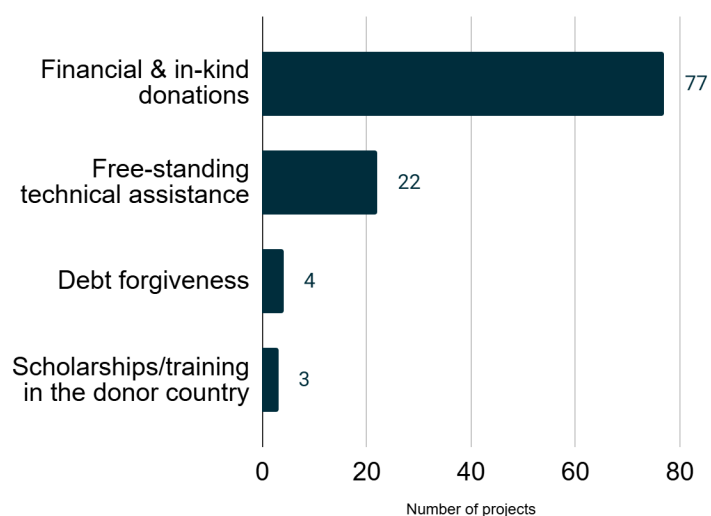
95% of China's official sector financing to Mozambique takes the form of loans (totaling \$9 billion), while 5% (\$496 million) comes in the form of grants and in-kind donations. In-kind donations are difficult to monetize, so the monetary values of these activities are likely underrepresented. AidData 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 Mozambique. When looking at record counts, grants account for 72% of all activity records in Mozambique (equivalent to 106 activity records between 2000 and 2022).

Figure 1.4: Top financial instruments used by China in Mozambique



*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



The most common types of in-kind donations from China to Mozambique include COVID-19 anti-epidemic materials, office supplies, and humanitarian relief supplies.

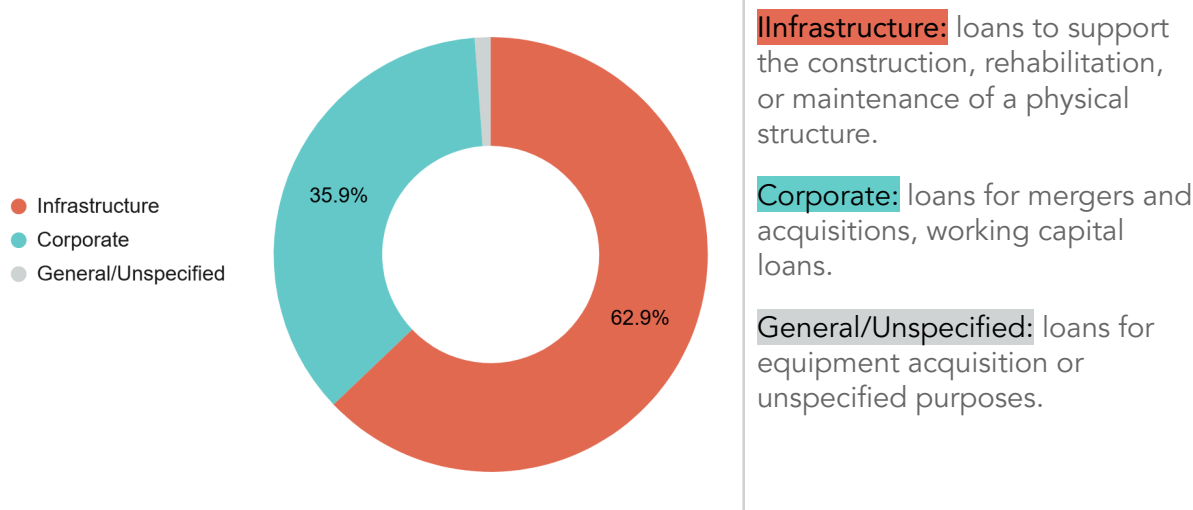
China has dispatched 14 medical teams to perform medical services and surgeries in Mozambique—with the most recent team being dispatched to the Maputo Central Hospital in 2022.

The Chinese government has provided debt relief on Mozambique's outstanding debt on four separate occasions in 2001, 2007, 2016 and 2017.

China has awarded over 100 scholarships to students to study in China.

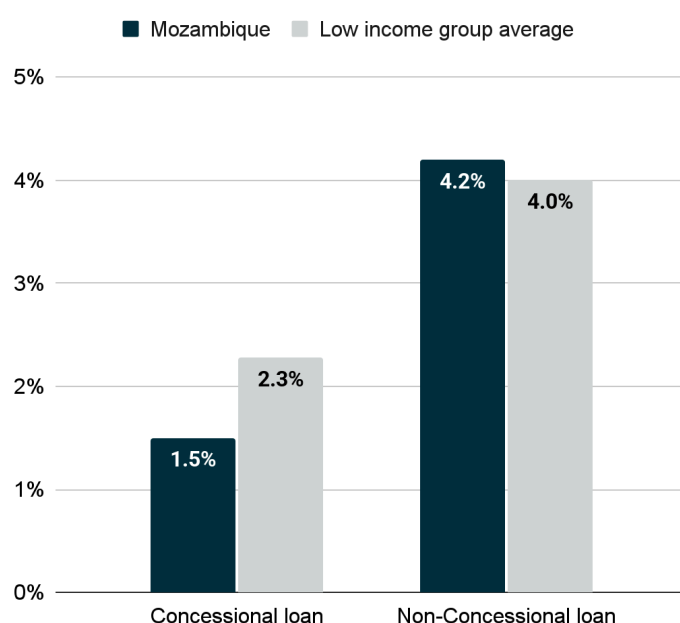


Figure 1.6: Breakdown of lending by purpose



63% of China's official sector lending to Mozambique supports infrastructure projects like construction of power plants or expressway construction, while 36% comprise corporate transactions. 57% of infrastructure projects in Mozambique are implemented by at least one Chinese entity, such as a Chinese state-owned company or a Chinese private sector company. Much of this lending is dedicated to large-scale infrastructure projects, such as the Coral South Floating Liquefied Natural Gas Unit. For corporate transactions, one sole loan accounts for 36%: the acquisition of the 25% equity stake of Eni East Africa. 1.2% of lending accounts for general and unspecified transactions, most commonly for banking and financial services or unspecified purposes that did not support infrastructure projects.

Figure 1.7: Borrowing terms



Between 2000 and 2022, China's concessional lending (which is considered to be aid) to Mozambique carried a weighted average 1.5% interest rate and a weighted average maturity of 20 years. By comparison, China's non-concessional lending to Mozambique carried a weighted average interest rate of 4.2% and a weighted average maturity of 18 years.

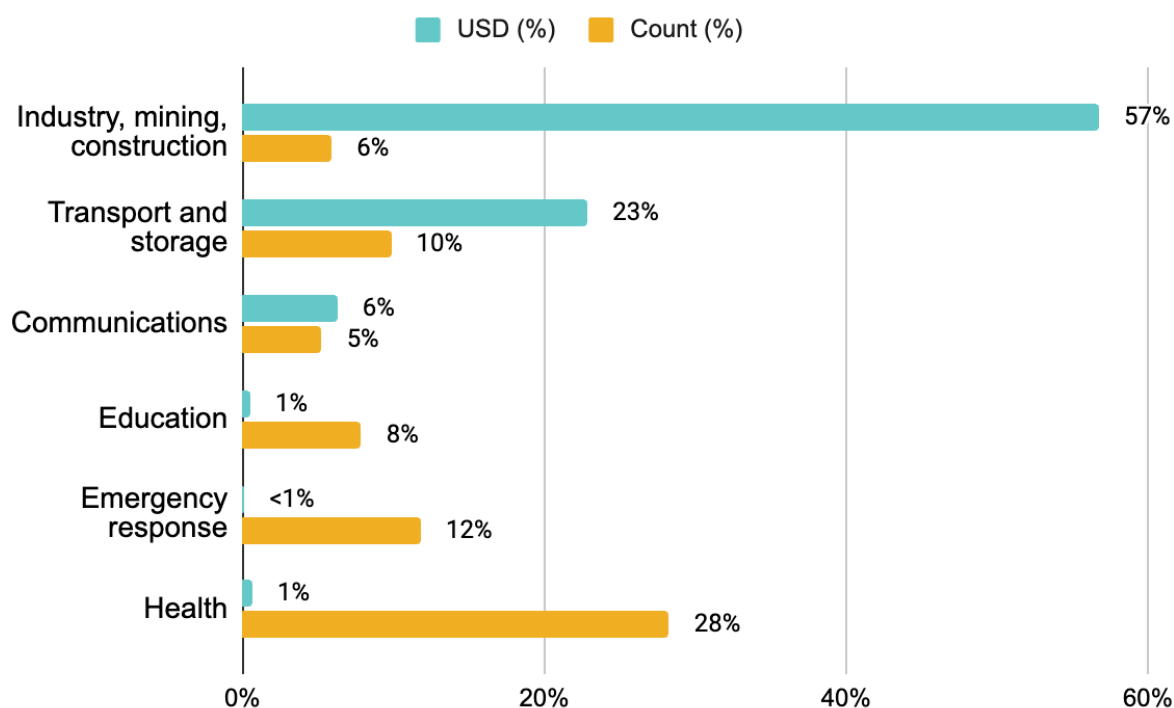
The borrowing terms for concessional loans in Mozambique were significantly more generous than those found in China's broader portfolio of official sector loans to low-income countries, but the borrowing terms for non-concessional loans were in line with the broader portfolio.

## In which sectors is China most active?

Top sectors for China's aid and credit in Mozambique differ greatly when comparing monetary value and record count. Certain sectors, such as health and education, often 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*



In terms of monetary value, 86% of China's grant and loan commitments to Mozambique supported three core sectors: transport and storage, and industry, mining, construction, and communications between 2000 and 2022.

- **Industry, mining, construction:** This sector, the largest by financial commitment amount, includes manufacturing fossil fuels, mining for coal, gas, metals, minerals, and construction. Projects in this sector account for \$5.4 billion in funding (or 57% of China's development finance portfolio). In addition to the CPNC HK's Ltd. loan for Eni East Africa, other activities in this sector include a \$618 million loan by ICBC for the Coral South floating liquefied natural gas facility and a \$562 million loan from China Eximbank for the same project as part of a syndicate. No new projects have emerged in this sector since 2020.
- **Transport 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. 23% of China's development finance portfolio in Mozambique is specifically dedicated to this sector, representing almost \$2.2 billion in commitments. The largest

single financial commitment is a \$781 million export buyer's credit provided by China Eximbank for the construction of the Maputo-Katembe Bridge. Other financial commitments have included loans provided by China Eximbank for road projects, such as a loan worth \$344 million for the Maputo Ring Road project and a \$337 million export buyer's credit for the Beira-Machipanda (N6) road rehabilitation. The latest project in this sector was committed in 2019.

- **Communications:** This sector encompasses the provision and access of telecommunications and information services, such as telephone, radio, and TV networks. Projects in the communications sector account for \$600 million in funding (or 6% of China's development finance portfolio). Activities in the communications sector include: a \$183 million loan from China Eximbank to facilitate Mozambique's transition from analogue to digital broadcasting systems; and a \$163 million loan from China Eximbank that would include the installation of 450 CCTV surveillance cameras in Maputo and Matola and create a monitoring center. No new projects have been committed since 2018 in the communications sector.

China is also heavily engaged in the "software" sectors, such as health, and education as well as emergency response in some countries. China's footprint in these sectors is difficult to represent, however, 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. This sector is the largest sector by record count, with activities in the health sector representing 43 records in China's portfolio in Mozambique (or 28% of records), 10 additional records since 2021. Notable activities include the donation of over 1.4 million doses of Sinopharm vaccines and other COVID-19 anti-epidemic relief material, such as medical masks. In October 2022, a Chinese medical team was dispatched to the Maputo Central Hospital for an 18-month stay to provide various medical services.
- **Emergency response:** This sector represents a total of 16 records (or 12% of the total record count), and includes activities such as humanitarian assistance and disaster relief, with 11 additional records captured and backdated. China's activities in this sector with low or no transaction values include the Government of China providing post-disaster cyclone relief supplies to Mozambique in November 2021, and Chinese government donations via the United Nations Population Fund to Mozambique as part of the Mozambique Humanitarian Response Plan 2021.
- **Education:** This sector encompasses schooling at the primary, secondary, and post-secondary levels, as well as technical and advanced training activities. Education activities represent 1% of funding (\$50 million) and 8% of China's total record count (12 records). Notable activities in the education sector include the Chinese government extending a grant for the construction of the Gorongosa Technical Institute in Sofala province and a grant for the construction of the Confucius Institute and Media Arts School Teaching Building. In 2021, the most recent record, the Chinese Embassy awarded 12 Chinese Ambassador Scholarships to undergraduate students at University Eduardo Mondlane.

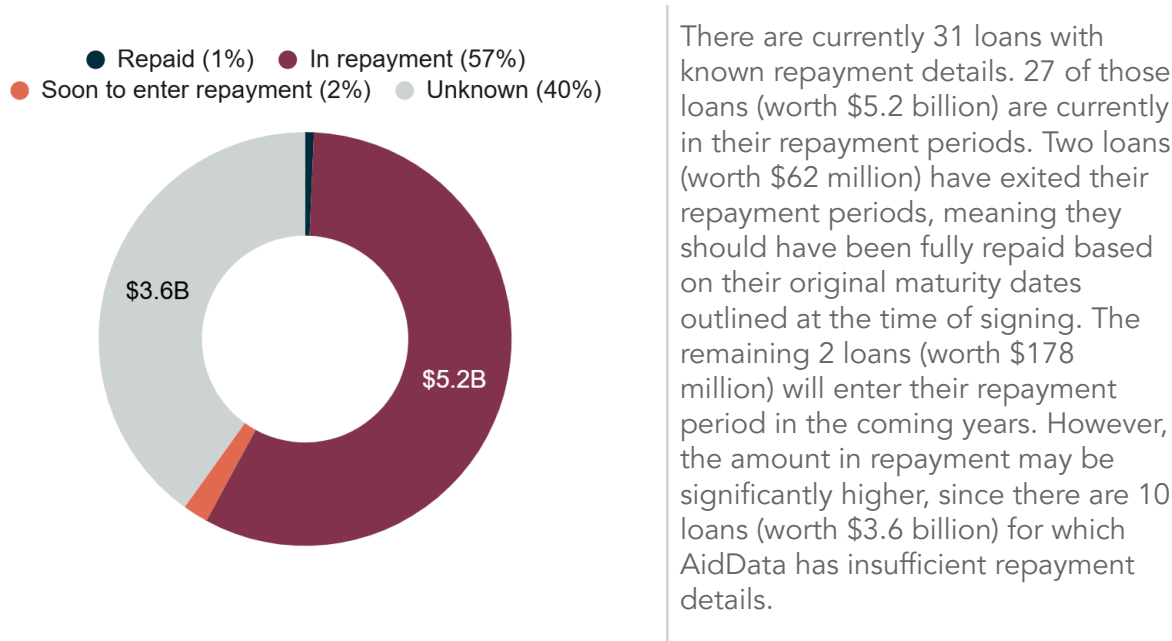
# Section 2: Mozambique’s debts to China

41 loans issued	\$9 billion cumulative value of loan commitments (47% of GDP)	65% of total debt shows signs of financial distress	37% public debt
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What is “public debt”?		
<b>Public debt</b> 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. <sup>4</sup>	<b>Potential public debt</b> Loans to special purpose vehicles or joint ventures in which recipient governments hold minority equity stakes.	<b>Private or opaque debt</b> Loans to private sector borrowers and entities with opaque ownership structures.

In this section, AidData examines Mozambique’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 Mozambique’s debt exposure to China.

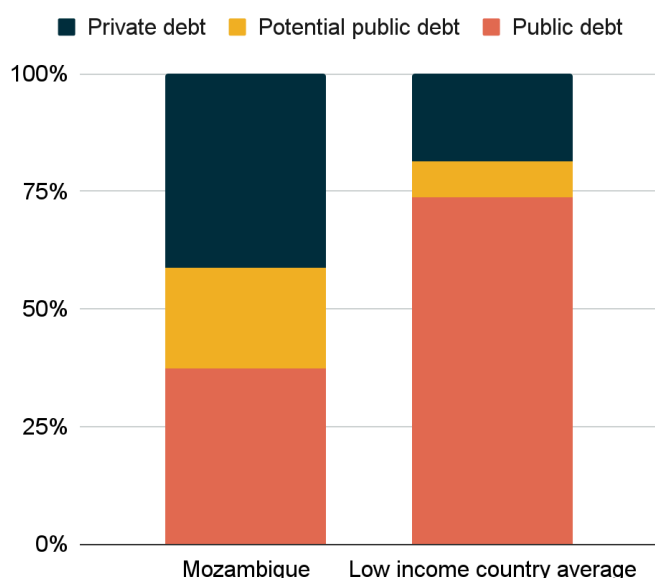
Figure 2.1: Repayment status for all loans from China



<sup>4</sup>Special purpose vehicles/joint ventures (SPV/JV) are project companies (independent legal entities) that are established to manage the financing and implementation of a particular project.

**Figure 2.2: Composition of debt from China by public liability**

*Total debt, 2000-2022—Mozambique: \$9 billion. Low income country average: \$6 billion.*



The composition of Mozambique's debt by level of public liability departs from the typical composition of China's development finance portfolio in low-income countries, especially in terms of potential public debt. This category of debt represents 21% of total loan commitments in Mozambique (compared to 8% in similar countries). Private debt is also significantly higher, standing at 41% compared to the average of 18%.

Public debt (37%) is significantly below the average (74%) of other low-income countries.

\$1.9 billion (21%) of China's official sector lending to Mozambique qualifies as "potential public sector debt."<sup>5</sup> These are loans that Chinese state-owned creditors have extended to SPVs and JVs in which the Mozambican 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.

89% of this potential public sector debt is for the Coral South Floating Liquefied Natural Gas project. The Coral South Floating Liquefied Natural Gas project involves nearly \$10 billion in investments, with a mixture of debt and equity investments. Empresa Nacional de Hidrocarbonetos EP (ENH), Mozambique's National Hydrocarbon Company, owns 10% of the SPV responsible for the project. In order to gain the 10% ownership stake in the SPV, ENH received a shareholder loan for \$134 million. The government of Mozambique did not issue a sovereign guarantee to ENH; thus, it is not legally required to take on liability if ENH defaults on its loan obligations. Regardless, it is likely that the government of Mozambique would take on that liability because the monetary value and importance of the project could bring extreme financial distress to the country if it were to fail.

Mozambique's portfolio of loans with Chinese creditors shows extensive signs of financial distress. In total, 65% of China's cumulative loan commitments to Mozambique are in distress—more than triple the 21% average across low- and middle-income countries. Evidence of financial distress includes, among other things, borrowers accruing principal or interest arrears, defaulting on their repayment obligations, or filing for bankruptcy. In Mozambique, 16 loans for major infrastructure projects exhibit these signs of financial distress, including the Beira-Machipanda (N6) Road Rehabilitation Project, the Maputo-Katembe Bridge Construction Project, and the Maputo International Airport Modernization and Expansion Project. In many of these projects, the Government of Mozambique was the borrower responsible for loan

<sup>5</sup>For more on this issue, see Malik and Parks (2021) at <https://www.aiddata.org/publications/banking-on-the-belt-and-road>

repayment. By February 2018, the IMF announced Mozambique's government had accumulated approximately \$710 million in arrears to all external creditors, including Chinese lenders.

To alleviate debt burdens, Mozambique has received multiple forms of debt relief from China through restructuring agreements. In 2007, the Chinese Ministry of Commerce agreed to cancel bilateral debt (interest-free loans) worth RMB 294 million. In 2017, the Chinese Ministry of Commerce again cancelled bilateral debt worth RMB 239.26 million. Also in 2017, Mozambique concluded a debt restructuring agreement with China Eximbank, which adjusted the government's repayment obligations under a set of loan agreements worth \$2.2 billion USD through grace period extensions. Despite this restructuring agreement, the World Bank-IMF Debt Sustainability Analysis (DSA) still considers Mozambique's debt in stress and unsustainable. In 2020, to help alleviate debt burdens during the pandemic, China Eximbank participated in the G20-initiated Debt Service Suspension Initiative (DSSI). Through the DSSI framework, China suspended nearly \$44.6 million in principal and interest payments due to China Eximbank from Mozambique during the second DSSI period (January 2021-June 2021). This was not debt forgiveness—the suspended payments must be paid back on a net present value (NPV)-neutral basis.<sup>6</sup> These suspended payments are scheduled to be repaid through 2026.

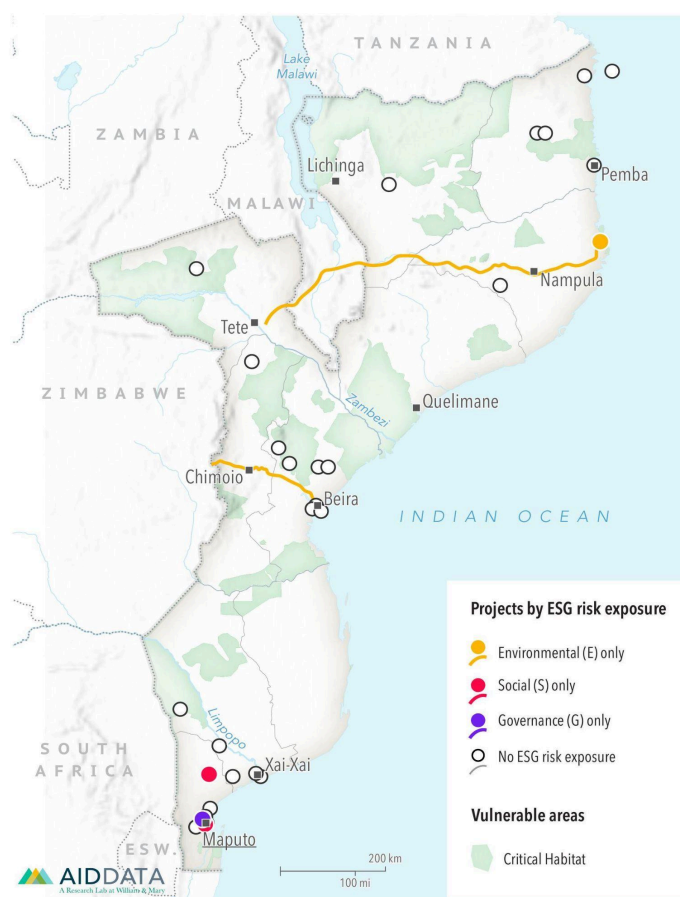
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<sup>6</sup>Net present value (NPV)-neutral basis means that the Chinese lenders would still receive full repayment and interest payments after the suspension period is over. For more information, please see <https://doi.org/10.5089/9798400248504.001>

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

Chinese infrastructure in Mozambique with ESG risk exposure:			Examples of global ESG risks
<b>13</b> infrastructure projects supported by grants and loans from China	<b>\$4.2 billion</b> in loan commitments supporting infrastructure projects	<b>74%</b> of infrastructure lending with ESG risk exposure	
			<p><b>Environmental:</b> increase in air or water pollution, biodiversity loss, deforestation, increased carbon footprint, or natural resource depletion.</p> <p><b>Social:</b> poor labor law compliance, human rights abuses, displacement of local residents, or archaeological or cultural heritage site degradation.</p> <p><b>Governance:</b> 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.<sup>7</sup> (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 Mozambique according to their environmental, social, or governance risk exposure. The projects facing ESG risk exposure consist of 13 infrastructure projects supported by Chinese grant and loan commitments worth almost \$4.2 billion.

Chinese lending has been committed to the Coral South Floating LNG project, which could not be visualized geographically due to its offshore location. In this project, environmental risks have emerged due to the close proximity of the FLNG unit to naturally protected habitats.

<sup>7</sup>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>.



In China’s broader 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% over the same 22-year period, showing China’s signature infrastructure initiative is facing major implementation challenges. China’s infrastructure project portfolio with ESG risk exposure in Mozambique hits above the global average at 74%.

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

With data through 2022, ESG risk exposure in Mozambique’s Chinese grant- and loan-financed infrastructure projects is 74%. Among these, environmental risks are the most prevalent.

Two types of infrastructure have been the primary drivers of environmental concerns: liquefied natural gas (LNG) developments and road construction. Notable LNG projects with environmental risk exposure include the Mozambique Liquefied Natural Gas project and the Coral South FLNG unit. On the road infrastructure side, projects like the Maputo Ring Road—where poor-quality materials have left the road vulnerable to erosion—and the Beira-Machipanda (N6) road rehabilitation have raised significant environmental concerns.

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

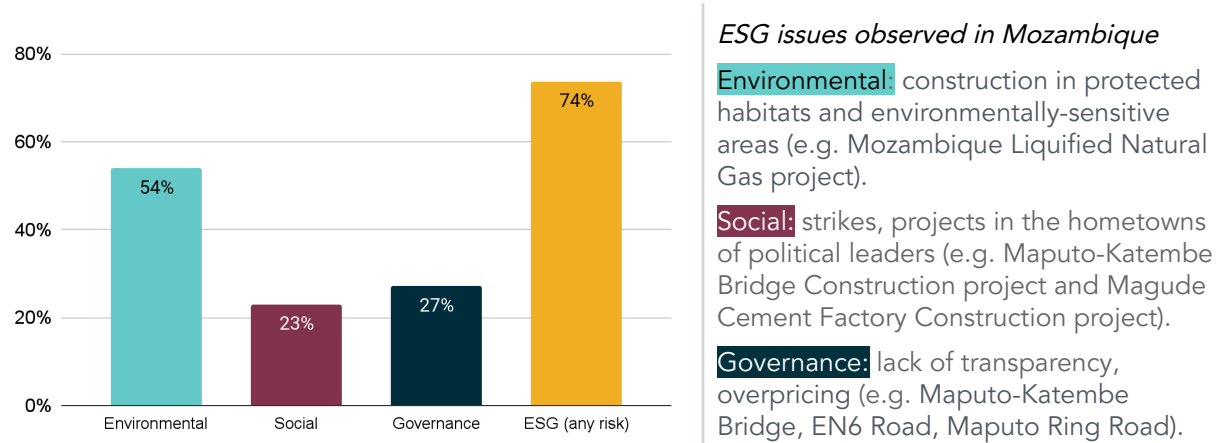


Figure 3.3: Cumulative proportion of Chinese infrastructure financing with ESG risk exposure Mozambique: 74% (2022). Low income country average (2022): 55%.

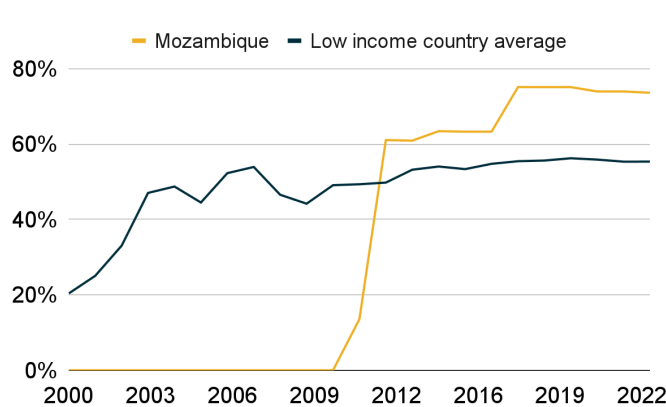


Figure 3.3 shows the increase in the cumulative ESG risk exposure over time compared to the average in low-income countries. In Mozambique, infrastructure project financing with ESG exposure remained at zero until 2010, after which there was a large spike in ESG risk exposure to over 60% of the cumulative portfolio driven by the Maputo International Airport Modernization and Expansion Project. In 2016, ESG exposure once again increased due to the development of the Coral South FLNG unit.

## 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.
28% 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 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, showing that China has succeeded 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 Mozambique over time?

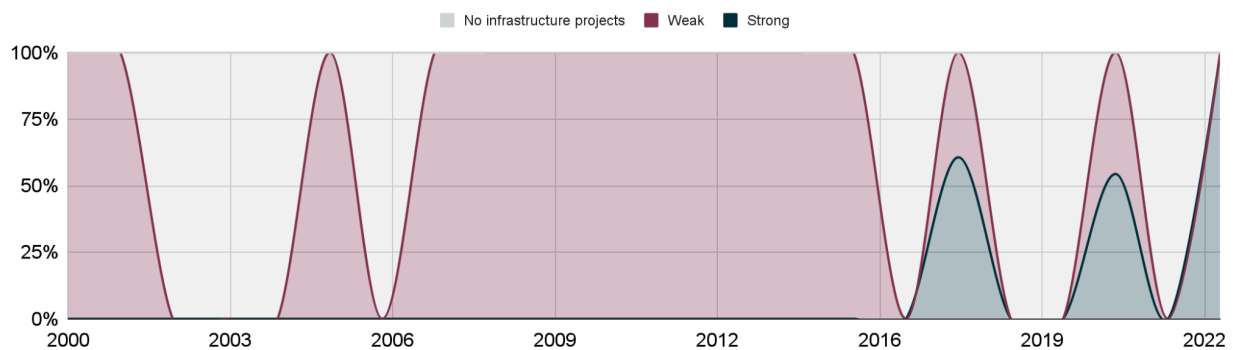
Between 2000 and 2022, 23% of China's grant- and loan-financed infrastructure project portfolio had strong contractual ESG safeguards in place across all developing countries. China's infrastructure project portfolio in Ethiopia is broadly consistent with this global trend, with 28% of China's grant and loan-financed infrastructure projects in Mozambique meeting the same standard on average. However, the share of projects with strong safeguards has fluctuated considerably over time.

Figure 4.1 shows that, prior to 2016, none of China's infrastructure funding to Mozambique contained strong contractual ESG safeguards. The percentage of the portfolio with strong de jure safeguards rose to 65%. By 2022, 100% of infrastructure projects in Mozambique in the same year now featured strong contractual safeguards. This change occurred because the sole infrastructure project committed in 2022, the 2075MW Cahora Bassa Hydroelectric Rehabilitation and Modernization Project funded by the Africa Growing Together Fund, featured strong contractual safeguards, including an Environmental and Social Impact Assessment (ESIA).

Trends across China's global infrastructure portfolio suggest there will be an increase in strong ESG safeguards in future years. Mozambique falls in line with this trend, showcasing an increase in strong safeguards since 2016. In Figure 4.1, these highs and lows of ESG safeguards in Mozambique are visualized alongside the years with no infrastructure projects (gray area).

### Infrastructure project portfolio with strong contractual ESG safeguards<sup>8</sup>

*Percent of infrastructure project portfolio committed each year*



<sup>8</sup>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 Mozambique in the BRI era

Mozambique has held positive views towards China since 2006. Data captured by Gallup between 2006 and 2022, with six years of data collection not available, shows that Mozambican citizens held an average approval rate of 70% toward China.<sup>9</sup> This is roughly ten percent higher than the global average of 60.1% between 2000 and 2022. When data was collected, the approval rate peaked at 84% in 2007 and was the lowest at 66% in 2019. In 2022, the approval rate for Mozambique was at 62.2%.

Figure A.1: Mozambique’s approval of Chinese leadership, 2006-2022<sup>10</sup>

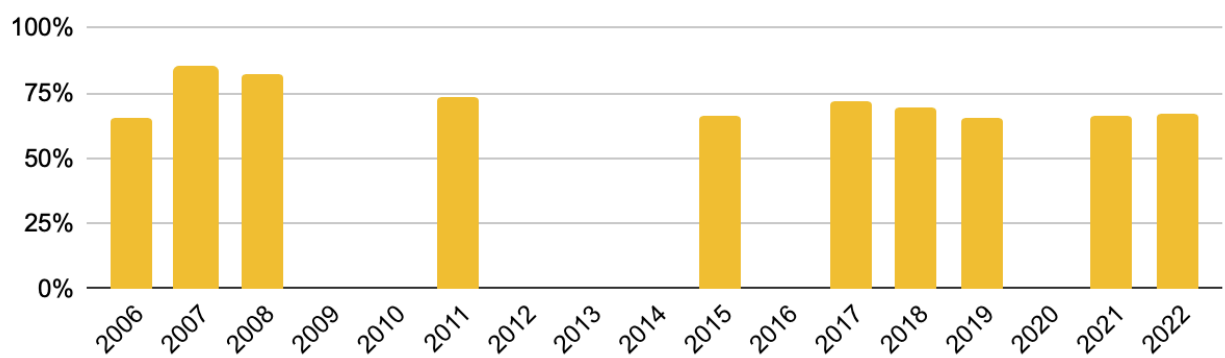


Figure A.2: Bilateral diplomatic visits between China and Mozambique

2016 MAY	President Filipe Nyusi goes on a state visit to Beijing and meets with President Xi Jinping. Mozambique and China agree to establish a “Comprehensive Strategic Partnership.”
2018 SEP	President Nyusi meets with President Xi Jinping and attends the Forum on China-Africa Cooperation summit in Beijing. The Memorandum of Understanding, in which Mozambique joined the Belt and Road Initiative, was likely signed at this meeting, though reporting is unclear.
2019 APR	President Nyusi meets with President Xi Jinping and attends the Second Belt and Road Forum for International Cooperation.
2023 OCT	Prime Minister Adriano Maleiane attends the Third Belt and Road International Cooperation Forum in Beijing.

<sup>9</sup>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 and there are gaps pre-2006 and, in some cases, between 2006-2021 . For Mozambique, data is available 2006-2008, 2011, 2015, 2017-2019, and 2021-2024. For more information on the Gallup methodology, see <https://www.gallup.com/178667/gallup-world-poll-work.aspx>

<sup>10</sup>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 Mozambique 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 Mozambique that represents 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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We thank Lydia Vlasto for drafting an early version of this profile; Julie Sickell for her thoughtful review and data quality assurance; Sailor Miao for his detailed comments and suggestions; Sheng Zhang for providing data analysis support; John Custer for supporting the formatting and data visualization design of the profile; Sasha Trubetskoy for providing cartographic support; and Isaac Herzog for the final copy-edit of this profile.

AidData gratefully acknowledges financial support from the Swiss Agency for Development and Cooperation (SDC), the United States Agency for International Development (USAID), and the Ford Foundation. The findings and interpretations in this profile are entirely those of the authors. AidData's research is guided by the principles of independence, integrity, transparency, and rigor. A diverse group of funders support AidData's work, but they do not determine its research findings or recommendations.

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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