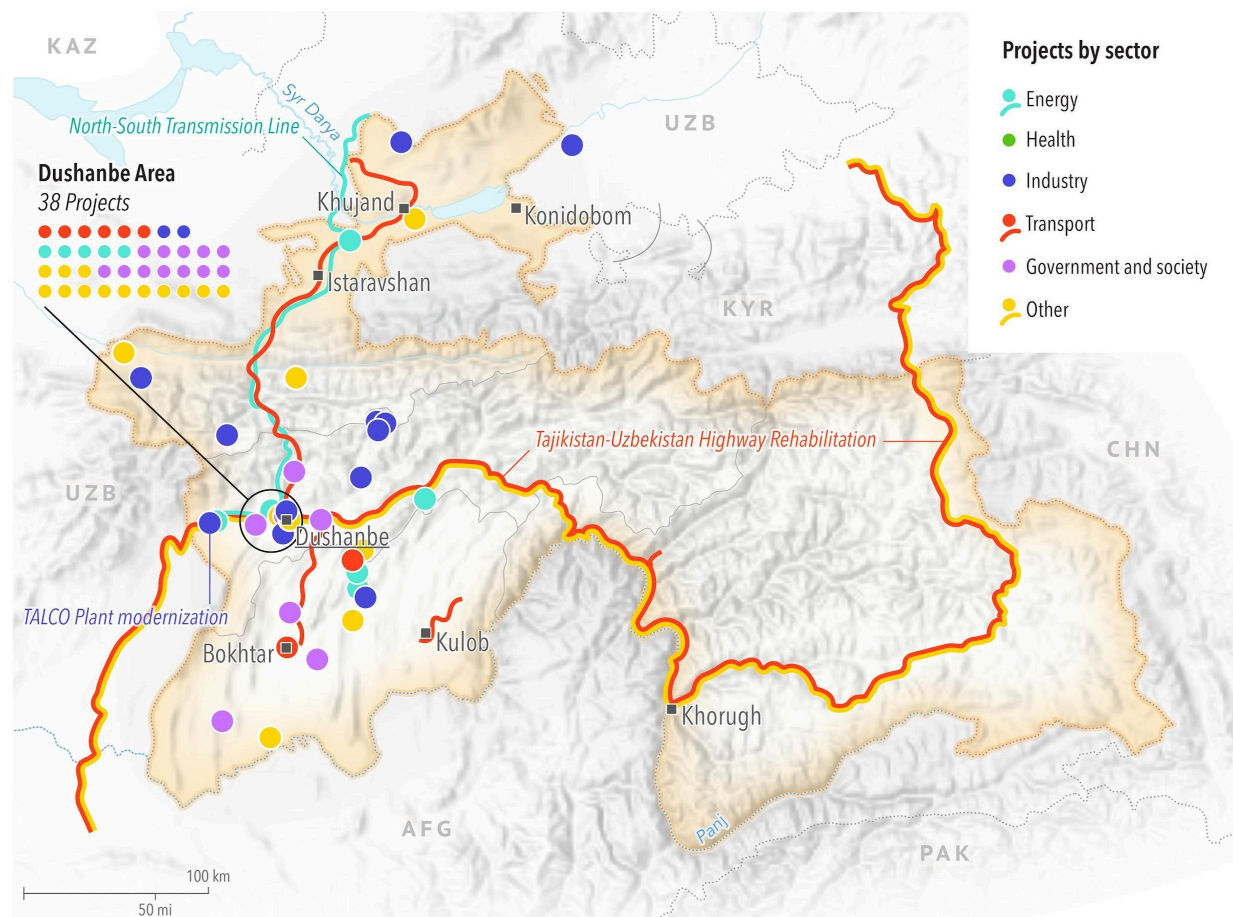


Tajikistan

The Scale, Scope, and Composition of Chinese Development Finance

October 2025



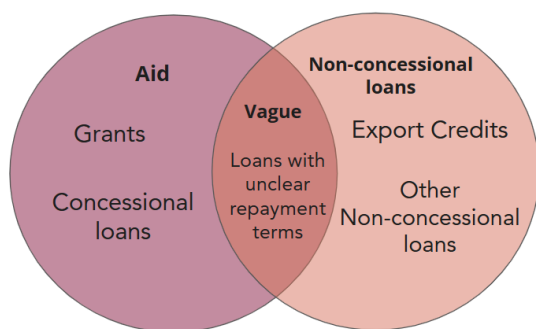
JulieAnn Sickell, Brooke Escobar

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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 Tajikistan

Central Asian countries that have joined the BRI

■ In BRI ■ Not in BRI ■ Tajikistan



Tajikistan and China's Belt and Road

Tajikistan is located along the Silk Road Economic Belt, a key component of China's Belt and Road Initiative (BRI). In October 2018, the governments of China and Tajikistan signed the "Memorandum of Understanding on Jointly Formulating a Plan for Cooperation to Promote the Construction of the Belt and Road," officially marking Tajikistan's entry into the BRI.

Historic relationship

The Republic of Tajikistan and the People's Republic of China (PRC) have maintained a diplomatic bilateral relationship since 1992. Following Tajikistan's independence from the Soviet Union, Tajikistan underwent a civil war between 1992 and 1997. By 2000, the governing and opposition parties agreed to a peace accord. Despite the dissolution of the Soviet Union, Tajikistan has allowed Russia to maintain a military presence in the country, especially to secure Tajikistan's border with Afghanistan.¹

Present-day relationship

The present-day relationship between China and Tajikistan is anchored in political alignment, economic integration, and security cooperation—shaped above all by their shared border. Under the long tenure of President Emomali Rahmon, in power since 1994, Tajikistan has sought to leverage Chinese investment and connectivity to overcome deep poverty and geographic isolation. Beijing, for its part, has treated Tajikistan as a frontline partner in both regional development and regional security.

This alignment deepened during the early rollout of the Belt and Road Initiative (BRI). In May 2013, the two countries elevated ties to a "strategic partnership." Just over a year later, during Xi Jinping's 2014 state visit, Tajikistan became the first country to sign a Memorandum of Understanding for the Silk Road Economic Belt—the overland "Belt" portion of the BRI.²

Since then, Tajikistan has been an enthusiastic participant in BRI-linked infrastructure and training programs. These have included large-scale investments in energy and transport. In 2022, China also opened its first Luban Workshop in Dushanbe, Tajikistan, aimed at expanding vocational education and cultural exchange.

¹For more information on Tajikistan's contemporary history, see the U.S. Department of State (2017) at <https://2009-2017.state.gov/outofdate/bgn/tajikistan/19459.htm>.

²Khmer Times (2025). Cambodia and China sign 37 agreements to strengthen bilateral ties during President Xi Jinping's visit. <https://www.khmertimeskh.com/501671228/cambodia-and-china-sign-37-agreements-to-strengthen-bilateral-ties-during-president-xi-jinpings-visit/>

Overview: Chinese development finance in Tajikistan from 2000-2022

\$6.4 billion

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

82%

of Chinese development finance is provided via loans.

99

grants, technical assistance, and training activities offered.

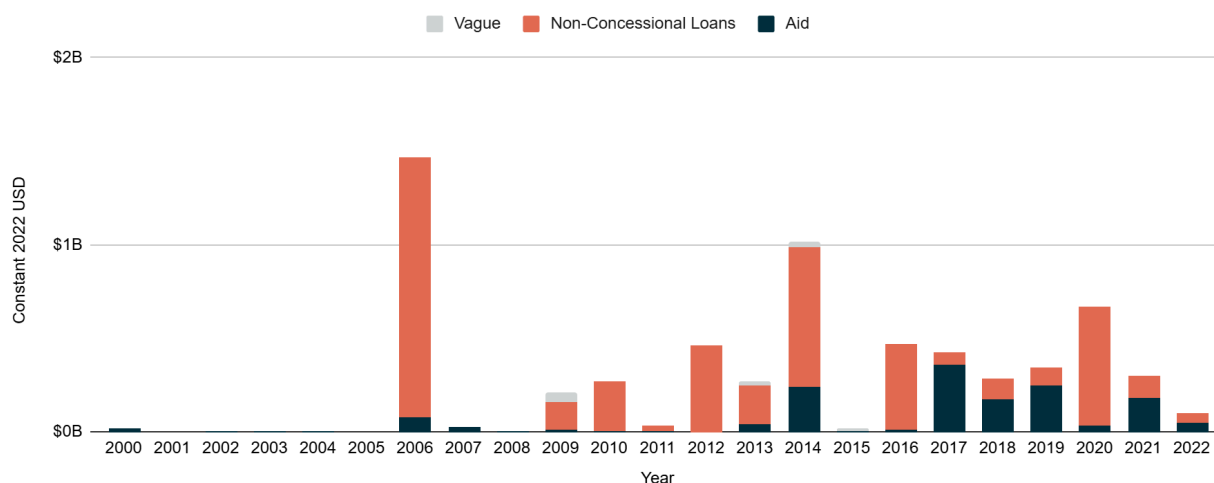
4th

largest recipient of Chinese aid and credit in Eurasia.

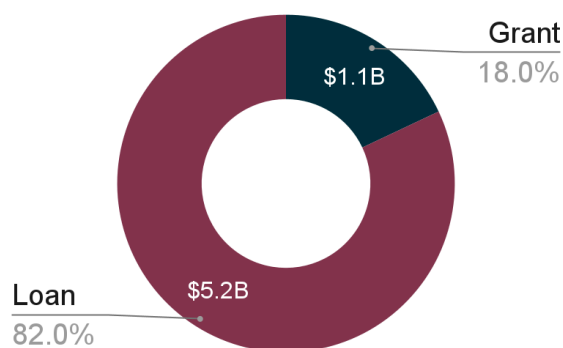
42%

of China's infrastructure portfolio has significant exposure to ESG risks.

Official sector financial commitments from China to Tajikistan, 2000-2022³

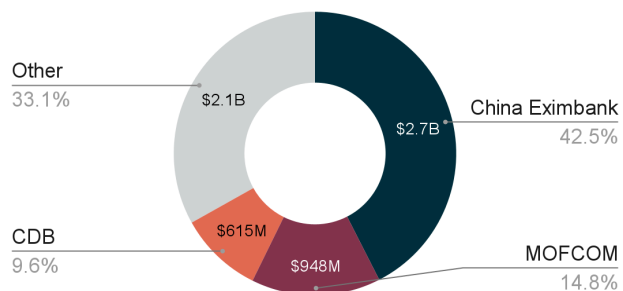


Portfolio by type of finance



Loans include concessional and non-concessional loans

Portfolio by funder



China Eximbank: Export-Import Bank of China; MOFCOM: Ministry of Commerce; CDB: China Development Bank

³For definitions of the categories of *aid*, *non-concessional loans*, and *vague*, please see the Key Concepts box on page 2 or Appendix B.

Section 1: China's development finance portfolio

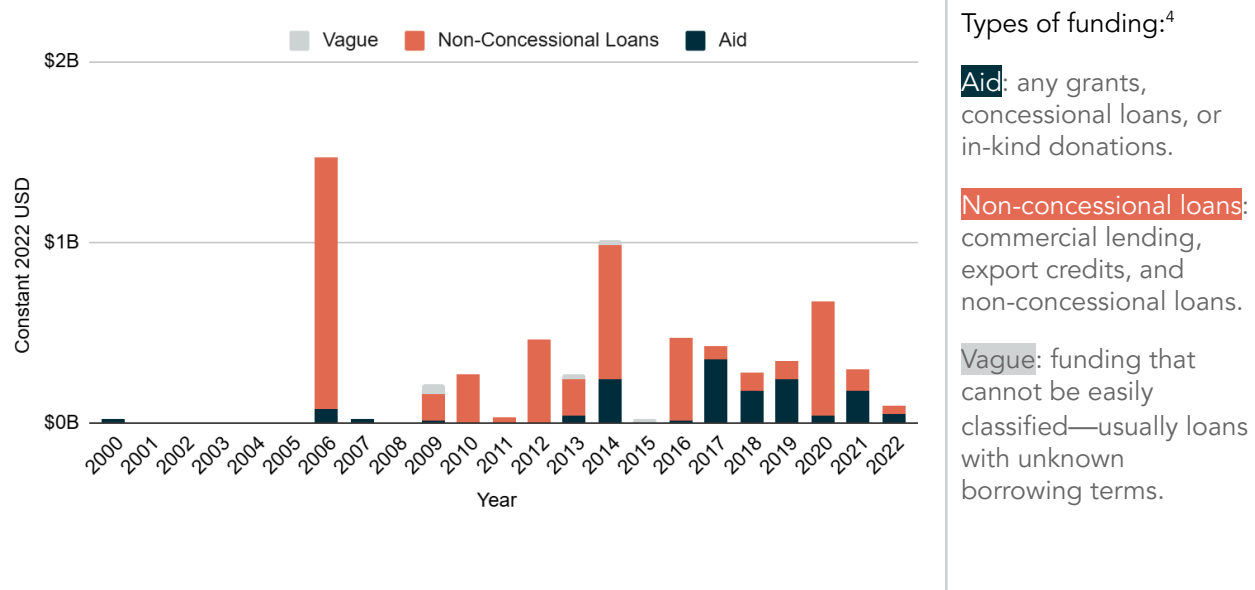
As a member of the former Shanghai Five and current Shanghai Cooperation Organization (SCO), Tajikistan shares a unique relationship with China characterized by cooperation on regional security and economic development. China is one of Tajikistan's largest trading partners and its largest bilateral donor. For a list of bilateral diplomatic visits between China and Tajikistan in the BRI era, see Appendix A.

How much development finance has China provided Tajikistan since 2000?

Between 2000 and 2022, official sector lenders and donors from China provided grant and loan commitments worth \$6.4 billion for 168 projects and activities in Tajikistan. That makes Tajikistan—a country with a relatively small economy (GDP: \$12.1 billion) and population (10.3 million residents)—the fourth-largest recipient of Chinese aid and credit in Eurasia and the 48th-largest recipient in the developing world. Chinese development finance in Tajikistan peaked in 2006, when China provided more than \$1.5 billion in grant- and loan-financing to Tajikistan. Most of these funds went towards the 500 kV North-South power transmission line project and the first stage of the Dushanbe-Khujand-Chanak road construction project.

Another peak year of commitments, totaling nearly \$1 billion, included concessional lending (aid) and non-concessional lending for Phase II of the 400MW Dushanbe Combined Heat and Power Plant (CHP-2) as well as non-concessional lending for the Central Asia–China Gas Pipeline. The CHP-2 project seeks to address Tajikistan's chronic energy shortages, while the pipeline—spanning five countries from the Turkmenistan border through Uzbekistan, Tajikistan, and Kyrgyzstan to China—positions Tajikistan as a key link in regional energy integration.

Figure 1.1: Official sector financial commitments from China to Tajikistan



⁴For more information on these categories, please see Appendix B.

How does China compare to other development partners?

China is Tajikistan's largest development partner (see Figure 1.2), providing over three times more aid and credit than any other bilateral or multilateral source. The Asian Development Bank outranks China in terms of aid provided to Tajikistan, with \$1.5 billion going towards activities such as road construction, energy policy development, and governance programs (such as the Financial Sector and Fiscal Management Improvement Program). The United States and World Bank Group rank third and fourth, respectively.

- **United States:** The drastic downsize of U.S. foreign assistance in 2025 may impact aid delivery in Tajikistan, especially for the health sector. Tajikistan has received an average \$42 million each year from USAID since 2019. Given the scale of the development aid portfolio in Tajikistan, the end of U.S. foreign assistance could have a significant impact.

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

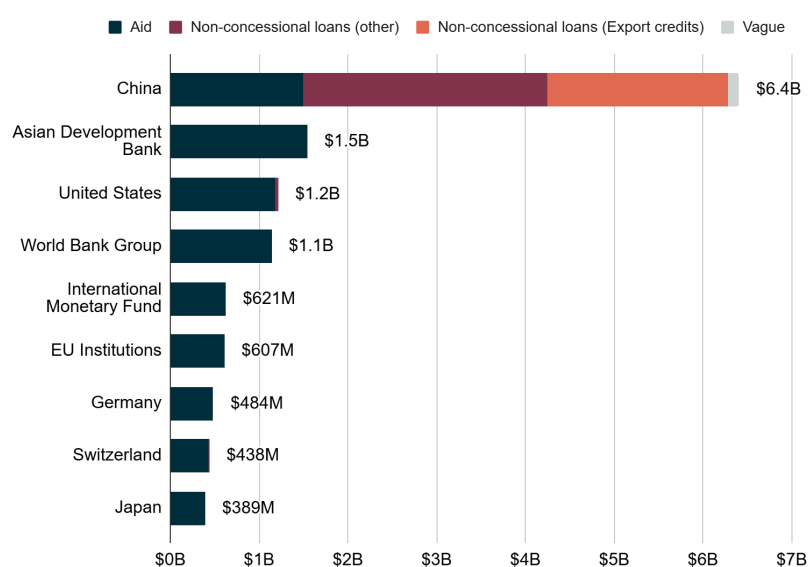


Figure 1.2 contains the top nine development partners providing aid and other financing to Tajikistan. However, only China has detailed bilateral export credit flows to Tajikistan. This level of granularity is not available for other development partners as the OECD does not provide export credit data 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: ~\$6 million.⁵

Annual export credits from G7 between 2018-2022: \$102 million.

How does China use export credits?

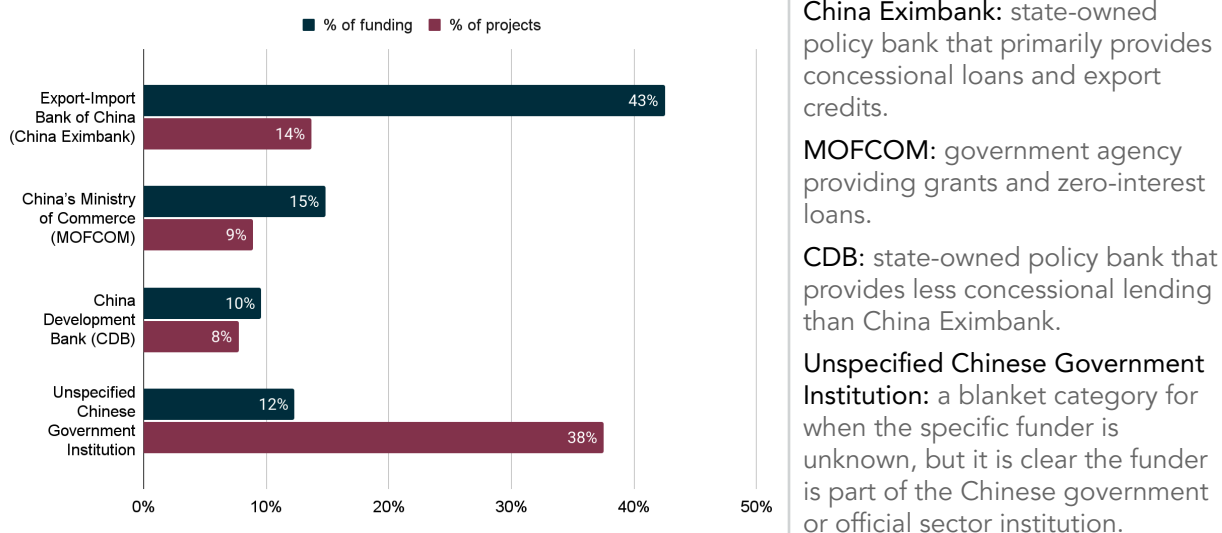
The central role that export credits play in China's overseas lending portfolio sets it apart from other official sector creditors: Under a so-called "Gentlemen's Agreement" on Officially Supported Export Credits, OECD member countries agreed in 1978 to "tie their own hands" and voluntarily abide by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

⁵Export credits are negative in OECD reporting when there are currency fluctuations, trade deficits, or weak domestic production.

Which donors and lenders from China are active in Tajikistan?

Between 2000 and 2022, 29 official sector donors and lenders from China provided aid and non-concessional loans to Tajikistan. 79% of China's development finance portfolio is provided through four main donors and lenders (see Figure 1.3). The other 21% 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 to Tajikistan



The top funding agency is the Export-Import Bank of China. China Eximbank issued 23 loans worth \$2.7 billion for projects and activities, accounting for almost half of total official sector financial flows from China to Tajikistan between 2000 and 2022. One notable project funded by China Eximbank is the \$571 million preferential buyer's credit (PBC) for the 500 kV North-South power transmission line.

China's Ministry of Commerce (MOFCOM) is a government agency that serves as the lead administrator of China's grant and interest-free loan program for developing countries. It provided 15 grants worth \$948 million—or 15% of total official sector financial flows from China to Tajikistan from 2000 to 2022. MOFCOM's largest single financial commitment was a 2017 grant for the construction of a new government and parliamentary complex. China Development Bank (CDB) issued 13 loans worth \$615 million between 2000 and 2022, representing 10% of total official sector financial flows from China to Tajikistan. There were no commitments from CDB or MOFCOM in 2022.

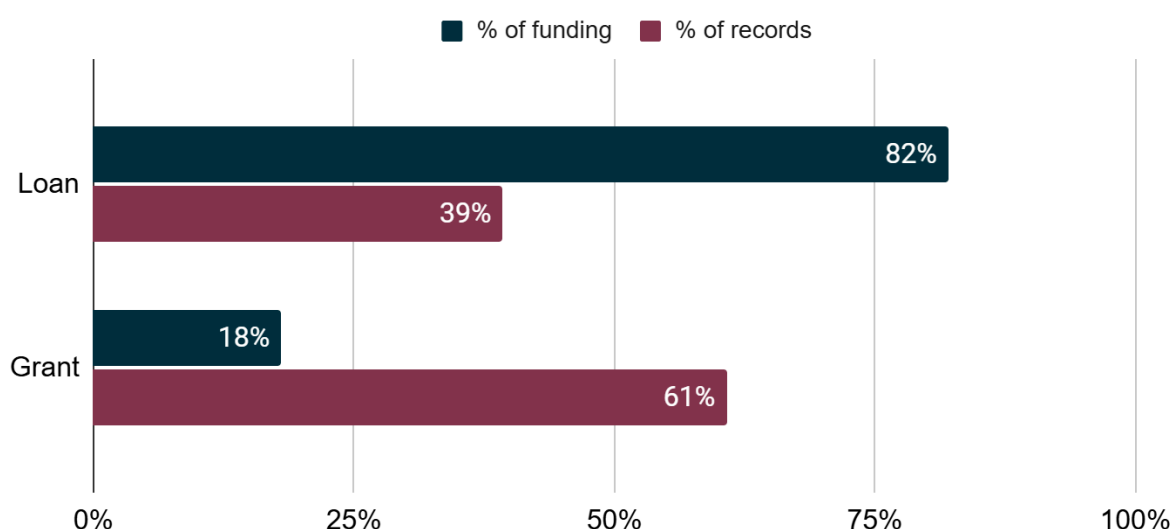
12% of China's official sector financing (38% of all activities) in Tajikistan comes from unspecified Chinese government agencies. There were three new grants from unspecified institutions in 2022 including a Luban workshop, COVID-19 vaccines, and over 400 public utility vehicles. Another key source of uncertainty and opacity is a \$545 million engineering, procurement and construction plus finance (EPC+F) contract between China Machinery Engineering Corporation (CMEC) and Talco Aluminium Company (TALCO)—a Tajik state-owned enterprise—for an aluminum smelter modernization project. The EPC+F structure of the contract implies the EPC contractor (CMEC) is responsible for mobilizing a loan to finance the project.

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

82% of China's official sector financing to Tajikistan takes the form of loans (totaling \$5.2 billion), while 18% (\$1.1 billion) 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.

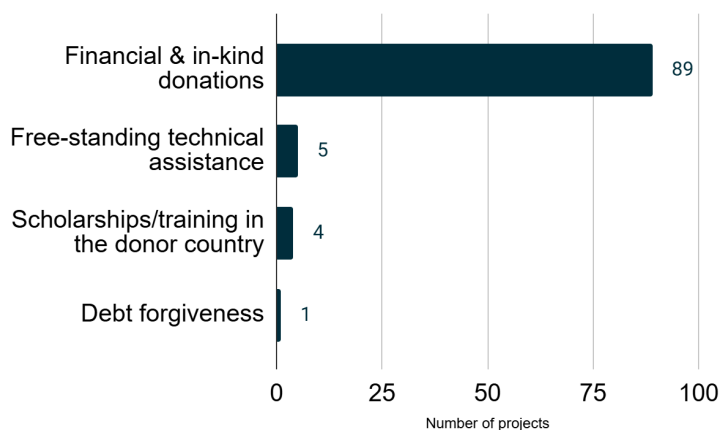
AidData captures each instance of a grant or in-kind donation as one record, so analyzing the record counts provides a better picture of China's activities in Tajikistan. When looking at record counts, grants account for 61% of all activity records in Tajikistan (representing 99 records capturing activities taking place between 2000 and 2022).

Figure 1.4: Top financial instruments used by China in Tajikistan



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

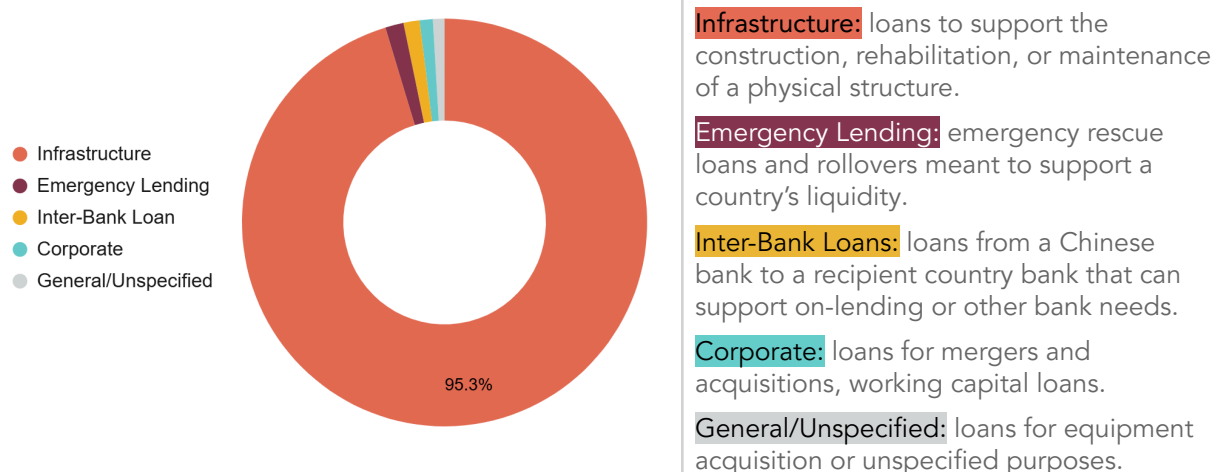
Figure 1.5: Breakdown of grants by project count



Tajikistan ranked 10th for most Chinese COVID-19 aid received, totaling \$111 million in donations and over 6 million vaccines. Non-health related donations include school supplies and humanitarian relief.

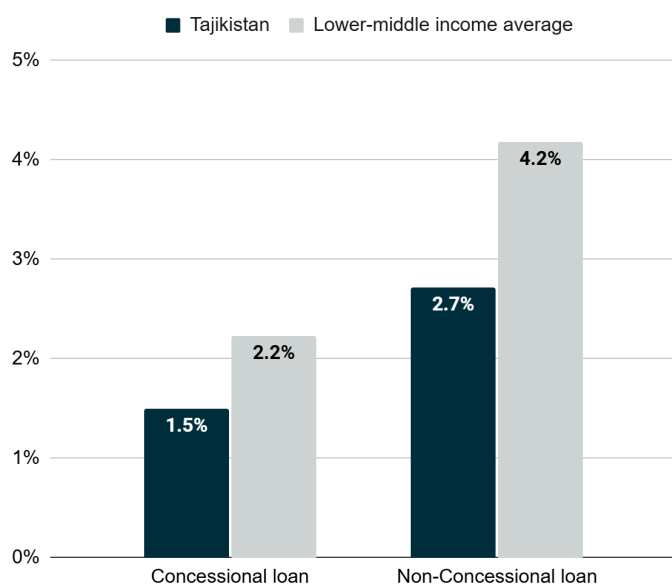
There were four new grants to Tajikistan in 2022. Two grants supported the education sector—one for the creation of a Luban workshop and another for Tajik students to travel to China. The remaining two grants were for COVID-19 vaccines and public utility vehicles, respectively.

Figure 1.6: Breakdown of lending by purpose



95% of China's official sector lending to Tajikistan supports infrastructure projects. 89% of all infrastructure projects in Tajikistan are implemented by at least one Chinese entity, such as a Chinese state-owned company or a private sector company from China. For instance, China Road and Bridge Corporation (CRBC) has constructed multiple infrastructure projects (with official sector lending commitments worth \$1.4 billion) in Tajikistan since 2006. 1.5% of China's official sector lending to Tajikistan consists of rescue lending via currency swap drawdowns, while another 1% supports corporate activities (e.g., loans for mergers and acquisitions and working capital) and less than 1% is earmarked for general or unspecified purposes.

Figure 1.7: Borrowing terms



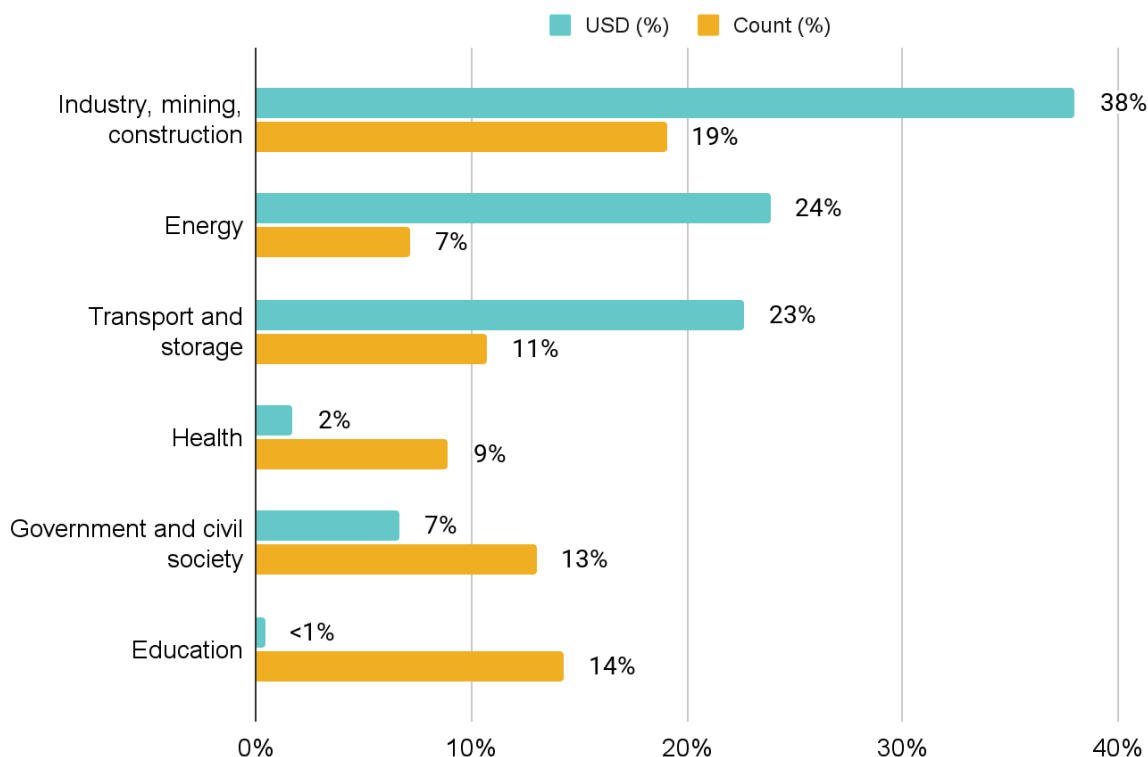
Between 2000 and 2022, China's concessional lending (which is considered to be aid) to Tajikistan carried a weighted average interest rate of 1.5% and a weighted average maturity of 24 years. By comparison, China's non-concessional lending to Tajikistan carried a weighted average interest rate of 2.7% and a weighted average maturity of 17 years. These borrowing terms were significantly more generous than those found in China's broader portfolio of official sector loans to lower-middle income countries.

In which sectors is China most active?

Top sectors for China's aid and credit in Tajikistan differ greatly when comparing monetary values and record counts. Certain sectors, such as health and education, often make up a large percentage of records but offer small or no transaction amounts. In Figure 1.8, we have 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, 84% of China's grant and loan commitments to Tajikistan supported three core infrastructure ("hardware") sectors: industry, mining, construction; transport and storage; and energy between 2000 and 2022.

- **Industry, mining, construction:** This sector, largest by financial commitment, captures projects related to the development, management, and refinement of critical resources such as chemicals or minerals. Projects in this sector account for \$2.4 billion in funding (or 38% of China's development finance portfolio). Noteworthy activities in this sector include a \$608 million engineering, procurement, and construction plus finance (EPC+F) contract between China Machinery Engineering Corporation (CMEC) and Talco Aluminium Company for an aluminum smelter modernization project as well as a \$332 million loan by CNPC Finance for Line D of the Central Asia-China Gas Pipeline project. There were two new commitments in this sector in 2022 from CNMC Trade Company Limited and China CITIC Bank Corporation Limited. These state-owned entities provided a total of \$54.5 million across two loans to China Nonferrous Gold Limited to assist the company in repaying existing debt obligations.

- **Energy:** This sector is the second largest by financial value, with \$1.5 billion in funding (or 24% 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. Noteworthy activities in the energy sector include a \$543 million preferential buyer's credit by China Eximbank for the 500 kV North-South Power Transmission Line project and a Memorandum of Understanding from SinoHydro for \$457 million to finance and construct the Nurobad-2 Hydroelectric Power Plant project. There were no new commitments in this sector in 2022.
- **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 Tajikistan is specifically dedicated to this hardware sector, representing \$1.4 billion in grants and loans. The largest financial commitment from a single source is a \$571 million preferential buyer's credit issued by China Eximbank for the first stage of the Dushanbe-Khujand-Chanak Road Construction Project. Other big-ticket financial commitments include \$409 million in financing granted by China's Ministry of Commerce for various road projects in Tajikistan. There were no new commitments in this sector in 2022.

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

- **Education:** This sector encompasses schooling at the primary, secondary, and post-secondary levels, as well as technical and advanced training activities. Education activities represent \$26 million in funding and 14% of China's total record count, with 24 records. Notable activities in the education sector include Chinese embassy donations of school supplies—such as school bags, books, and stationary—to educational and pedagogical institutions across Tajikistan, as well as the opening of a Confucius Institute at the Mining and Metallurgy Institute of Tajikistan. Two grants were provided in 2022 in this sector—one for the creation of a Luban workshop and another for Tajik students to travel to China.
- **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 by record count, representing a total of 23 records (or 13% of the total record count). China's activities in this sector include grants from the Chinese government and embassy for women's sewing centers and training, as well as donations by the Chinese Ministry of Public Security for police materials—such as patrol cars, communications equipment, and computers. In 2022, the Chinese Embassy in Tajikistan handed over 466 public utility vehicles, trucks, passenger buses, watering machines, fire engines, tow trucks, to the municipal Government of Dushanbe (capital of Tajikistan).
- **Health:** This sector includes medical care, infrastructure, equipment, and disease control activities. In total, activities in the health sector represent 14 records in China's portfolio in Tajikistan (or 9% of records). Notable activities include anti-epidemic donations during the COVID-19 pandemic, including the donation of over 3 million doses of Sinopharm vaccines, as well as the dispatch of a medical team. 2.5 million of these vaccines were provided in 2022.

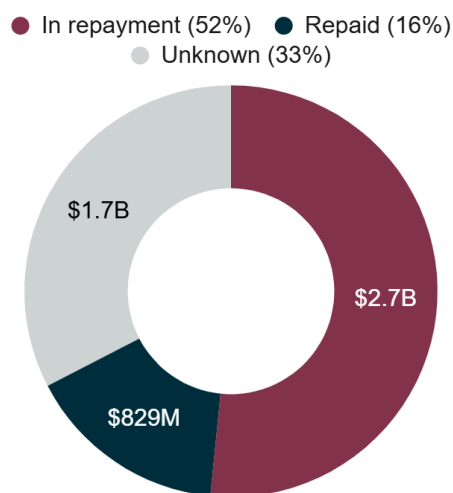
Section 2: Tajikistan’s debts to China

64 loans issued	\$5.2 billion cumulative value of loan commitments (43% of GDP)	27% of total debt shows signs of financial distress	66% public debt
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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 Tajikistan’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 Tajikistan’s debt exposure to China.

Figure 2.1: Repayment status for all loans from China

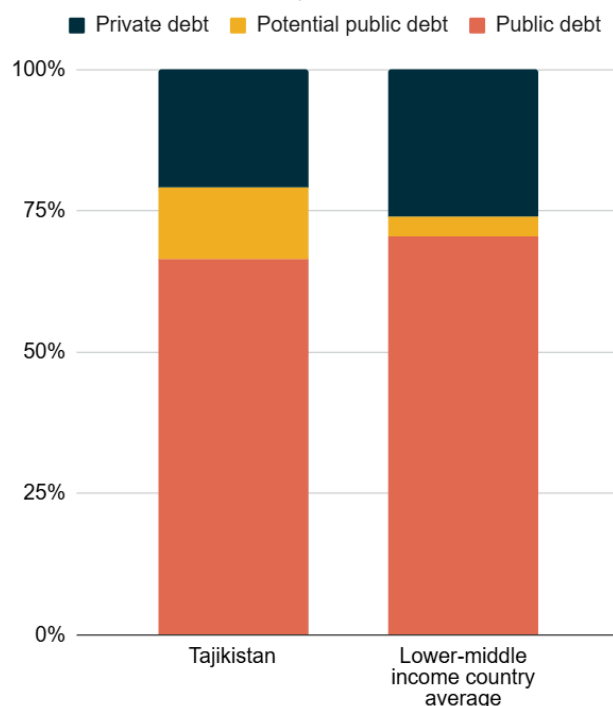


There are currently 42 loans for which AidData has access to repayment details. 22 of those loans (worth \$2.7 billion) are currently in their repayment periods. 20 loans (worth \$829 million) have exited their repayment periods—meaning they should have been fully repaid based on their original maturity dates outlined at the time of their signing.

However, the amount in repayment may be significantly higher since there are 22 loans (worth \$1.7 billion) for which AidData has insufficient repayment details.

Figure 2.2: Composition of debt from China by public liability

Total debt, 2000-2022—Tajikistan: \$5.2 billion. Lower-middle income country average: \$5.1 billion.



The composition of Tajikistan's debt broadly mirrors the pattern seen across China's development finance portfolio in other lower-middle income countries, with one exception: a relatively high share of "potential public debt".

Public debt makes up 66% of Tajikistan's total, only slightly below the lower-middle income average of 70%. Private or other debt accounts for 21%, compared to the average of 26%.

The remaining \$666 million (13%) of China's official sector lending to Tajikistan qualifies as "potential public sector debt."⁶ These are loans that Chinese state-owned creditors have extended to SPVs and JVs in which the Tajikistani 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.

The funding of SPVs and JVs usually represent limited-recourse project finance instruments. With this type of lending instrument, the loan for a project (e.g. a toll road, seaport, or power plant) is exclusively repaid with the cash flow generated by the project (e.g. toll revenue, container fees, or electricity sales), and the creditor either has no claim ("recourse") or a limited claim to any other assets as a basis for recovering the debt.

Most of Tajikistan's potential public sector debt is in the mining sector, particularly related to CJSC TALCO Gold and the TALCO Gold and Antimony Mining Project. CJSC TALCO Gold is a joint venture between Tibet Huayu Mining Co., Ltd., a Chinese state-owned company, and Tajik Aluminium Company (TALCO), a Tajikistani state-owned enterprise. With TALCO holding a 50% stake in CJSC TALCO Gold, any default on the joint venture's loan obligations could ultimately create liabilities for the government of Tajikistan.

To date, 27% of China's cumulative loan commitments to Tajikistan, publicly guaranteed or not, are in financial distress. Evidence of financial distress includes, among other things, borrowers accruing principal or interest arrears, defaulting on their repayment obligations, or filing for bankruptcy. Almost all of Tajikistan's lending in financial distress is due to arrears accumulated by Open Joint Stock Holding Company (OJSHC) "Barqi Tojik", a state-owned enterprise in Tajikistan responsible for the generation, transmission, and distribution of electricity and

⁶For more on this issue, see Malik and Parks (2021) at <https://www.aiddata.org/publications/banking-on-the-belt-and-road>

thermal energy. In a joint report from the World Bank and IMF on Debt Sustainability Analysis, Tajikistan is classified as high risk for overall and external debt distress.⁷

In order to help alleviate debt burdens, China has provided multiple instances of debt relief to Tajikistan through debt forgiveness and rescheduling since 2000. Tajikistan has received \$17 million in debt forgiveness and over \$67 million in debt rescheduling. Most of the debt rescheduling Tajikistan received occurred in 2020 through the G-20-initiated Debt Service Suspension Initiative (DSSI).⁸ Through the DSSI framework, China suspended \$39 million (\$30 million in principal payments and \$8.8 million in interest payments) due to China Eximbank from Tajikistan during the first DSSI period (May-Dec 2020). This was not debt forgiveness—the suspended payments must be paid back on a net present value (NPV)-neutral basis.⁹

⁷For more information on the World Bank-IMF's analysis of the Tajikistan's external debt, please see

<http://documents.worldbank.org/curated/en/099040124151512723/BOSIB16159e5170f418b23155d4f8be346e>

⁸Debt Service Suspension Initiative (DSSI) is a G20-initiated initiative to help alleviate debt burdens during the pandemic. For more information, see <https://www.worldbank.org/en/topic/debt/brief/covid-19-debt-service-suspension-initiative>

⁹Net 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 Tajikistan with ESG risk exposure:			Examples of global ESG risks
23 infrastructure projects supported by grants and loans from China	\$2.3 billion in loan commitments supporting infrastructure projects	42% of infrastructure lending with ESG risk exposure	
			<p>Environmental: increase in air or water pollution, biodiversity loss, deforestation, increased carbon footprint, or natural resource depletion.</p> <p>Social: poor labor law compliance, human rights abuses, displacement of local residents, or archaeological or cultural heritage site degradation.</p> <p>Governance: corruption, money laundering, lack of transparency, and non-competitive bidding processes.</p>

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.¹⁰ (See Appendix B for details on the ESG risk exposure methodology).

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

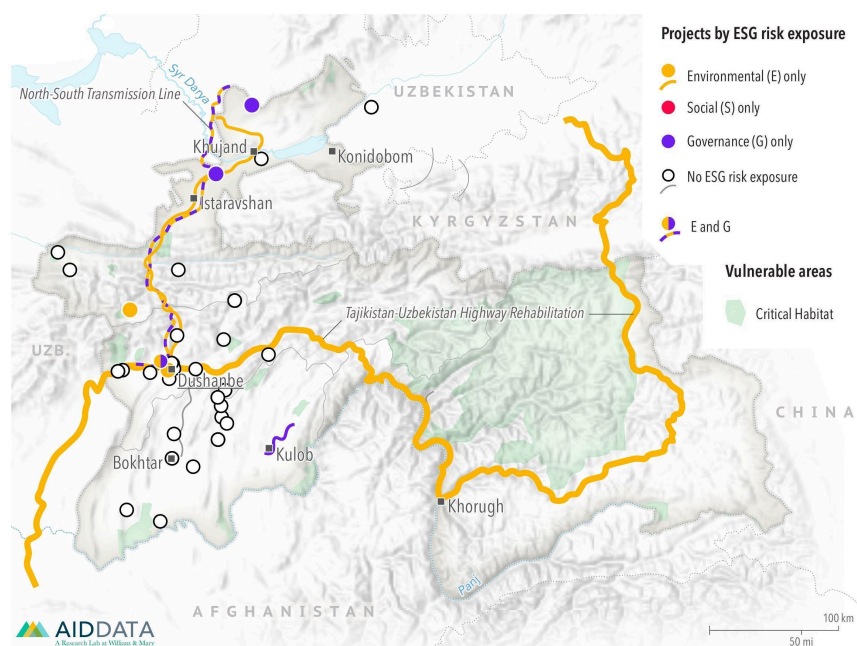


Figure 3.1 presents the geographic locations of all Chinese-financed infrastructure projects in Tajikistan according to their environmental and governance risk exposure.

The four projects identified with governance risks on this map are all tied to mining operations or transmission line construction. Environmental risks are also a concern, particularly for construction work on the Tajikistan-Uzbekistan Highway, which cuts across the country and through several of Tajikistan's critical habitats.

¹⁰For more information, see AidData's 2023 "Belt and Road Reboot: Beijing's Bid to De-Risk Its Global Infrastructure Initiative" report. <https://www.aiddata.org/publications/belt-and-road-reboot>.

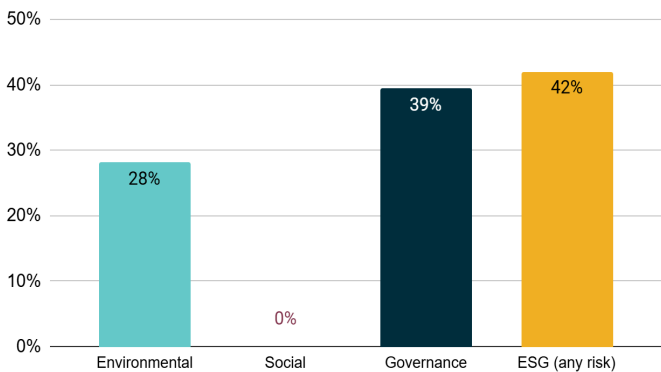
In China’s grant- and loan-financed infrastructure project portfolio in the developing world, the cumulative percentage of financing with significant ESG risk exposure increased from 12% to 54% from 2000 to 2021, demonstrating that China’s signature infrastructure initiative is facing major challenges. In Tajikistan, ESG risks are below the global average, with 36% of China’s portfolio identified with significant ESG risk exposure from 2000 to 2021. With the addition of data from commitment year 2022, Tajikistan’s ESG risk exposure increased from 36% to 42%.

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

42% of China’s grant- and loan-financed infrastructure portfolio in Tajikistan—spanning 23 projects worth \$2.3 billion—carries significant ESG risk exposure. These risks are concentrated in the areas of environmental and governance concerns, with no recorded instances of social risk between 2000 and 2022. Governance risk is widespread in the energy sector.

Chinese-financed transmission projects have been linked to mismanagement by power companies, resulting in electricity theft and rising arrears on outstanding debt. Additional governance risks include financial irregularities, such as unreconciled tax discrepancies reported by Tajik-China Mining Company LLC, the operator of the North Zarnisor Lead-Zinc Mining Deposit Project. Environmental risks stem from the proximity of infrastructure projects to protected areas and ecologically sensitive zones. Through geospatial analysis, AidData identified the Chormagzak Tunnel in the Dushanbe Dangara Road Reconstruction project was built near key natural habitats, posing an environmental risk.

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



ESG issues observed in Tajikistan

Environmental: close proximity in location to protected lands and natural habitats (e.g. TALCO Gold and Antimony Mining Project).

Social: no social risks were observed in Tajikistan’s infrastructure projects.

Governance: illegal connections, power theft, lack of transparency (e.g. Phase 2 of North Zarnisor Lead-Zinc Mining Deposit Project).

Figure 3.3: Cumulative proportion of Chinese infrastructure financing with ESG risk exposure
Tajikistan: 42% (2022). Lower-middle income country average: 45% (2022).

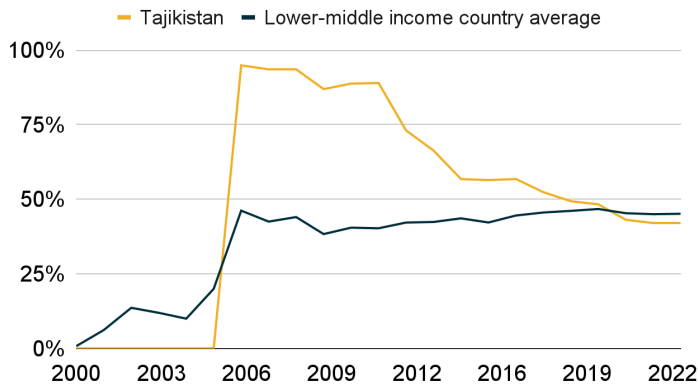


Figure 3.3 illustrates how Tajikistan’s proportional ESG risk exposure has evolved relative to the lower-middle income country average. Following the first Chinese-financed infrastructure projects in Tajikistan in 2006, ESG risk exposure rose sharply, peaking at 94%. Over time, however, the proportion of Chinese loan and grant infrastructure financing with ESG risk exposure in the country declined steadily, falling below the lower-middle income country average by 2020.

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

Percent of infrastructure portfolio with strong ESG safeguards

18%

2000-2022

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.

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. New data shows 25% of infrastructure commitments in 2022 had strong ESG safeguards, nearly halving the rate in 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 Tajikistan over time?

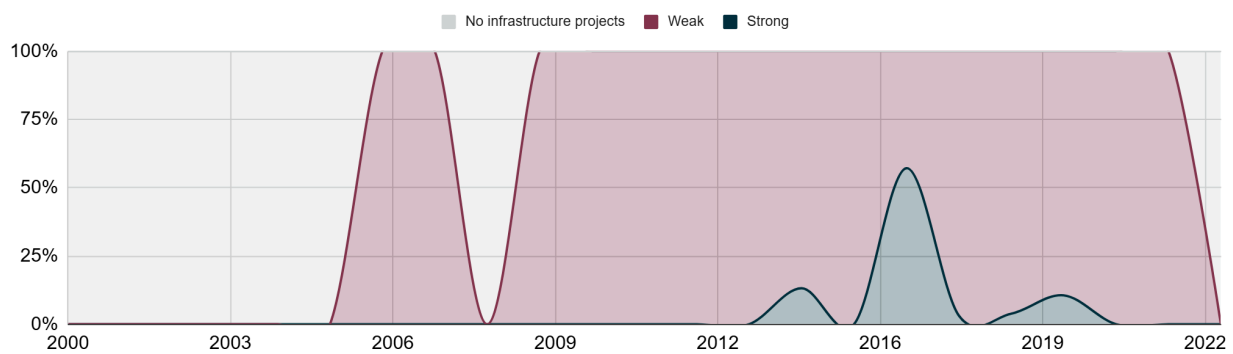
Tajikistan's infrastructure financing portfolio mainly exhibits weak *de jure* environmental, social, and governance (ESG) safeguards, largely due to its heavy reliance on bilateral loans from China Eximbank—an institution that has historically omitted robust ESG standards from its contracts, especially in the later years of the Belt and Road Initiative (BRI). As Figure 4.1 demonstrates, prior to 2014, there were no infrastructure projects with strong *de jure* ESG safeguards.

Starting in 2014, as the BRI gained momentum, some improvements emerged. Chinese state-owned commercial banks began financing infrastructure projects in the country, leading to stronger ESG provisions in the country's portfolio overall. Between 2014 and 2022, about 18% of Tajikistan's infrastructure financing included strong *de jure* ESG safeguards. However, progress has been inconsistent—dropping to zero during 2020 and 2021.

Despite these setbacks, broader trends in China's global infrastructure lending point to a likely resurgence of stronger ESG safeguards in the coming years.

Figure 4.1: Infrastructure project portfolio with strong contractual ESG safeguards¹¹

Percent of infrastructure project portfolio committed each year



¹¹This 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 Tajikistan in the BRI era

Tajikistan’s citizens have maintained a relatively favorable view towards China. Per data captured by Gallup between 2006 and 2017, Tajikistan’s citizens held an average approval rate of 79.5% toward China.¹² This is significantly higher than the global average of 60.1%. Approval toward Chinese leadership was highest in Tajikistan at 91% in 2010, when China and Tajikistan worked toward settling their border dispute. Since then, approval has decreased slightly, arriving at the lowest approval rate of 63% in 2017. No further data is available since 2017.

Figure A.1: Tajikistan’s approval of Chinese leadership, 2006-2022¹³

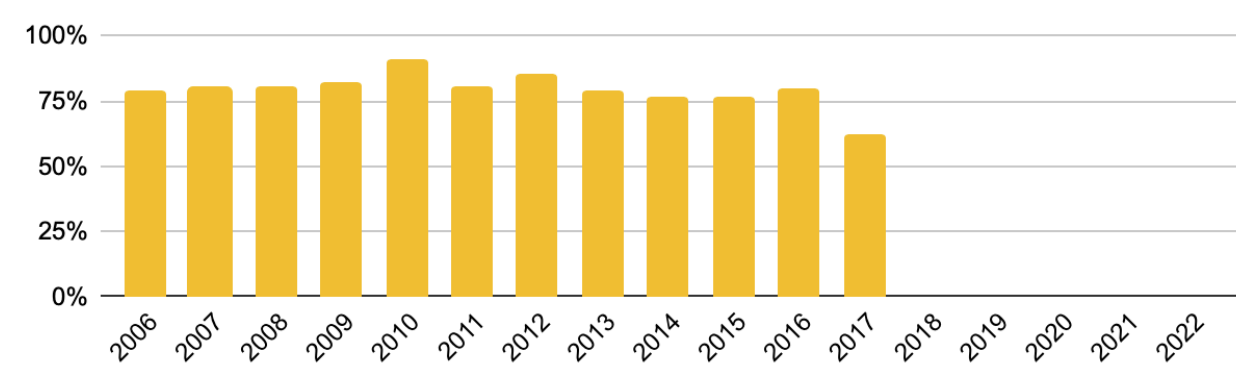


Figure A.2: Bilateral diplomatic visits between China and Tajikistan

2014 SEP	Xi Jinping pays a state visit to Tajikistan and participates in the Shanghai Cooperation Organization Heads of State Council; Tajikistan signs a memorandum on construction of the Silk Road Economic Belt of BRI.
2017 AUG-SEP	Emomali Rahmon pays a state visit to China and attends the Dialogue of Emerging Markets and Developing Countries.
2019 APR	Emomali Rahmon visits China and participates in the Second Belt and Road Forum for International Cooperation.
2019 JUN	Xi Jinping pays a state visit to Tajikistan and participates in the Fifth Summit of the Conference on Interaction and Confidence-Building Measures in Asia.
2023 MAY	Emomali Rahmon pays a state visit to China and attends the China-Central Asia Summit.
2024 JUL	President Xi visits Tajikistan ahead of the Shanghai Cooperation Organization summit in Astana, Kazakhstan.

¹²This 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 2006-2024 . Tajikistan is missing data for 2018-2023. For more information on the Gallup methodology see <https://www.gallup.com/178667/gallup-world-poll-work.aspx>

¹³The 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 Tajikistan 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 Tajikistan that represent loans within their repayment periods as of 01/01/2025 date. To determine when each loan will enter repayment, each loan's grace period is added to its commitment date. This figure represents when loans will reach their repayment period according to their original borrowing terms, although many loans have been rescheduled (often involving an extension of the loan's grace period and/or maturity). When the grace period is not available, AidData assumes the grace period is 0.

ESG risk exposure methodology:

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

Common ESG Risks in Infrastructure Projects:

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

ESG safeguard methodology:

In addition to metrics of ESG risk exposure, the *Belt and Road Reboot* report introduced a measure of China's responses to ESG risks through its own grant and loan financing agreements. AidData obtained a large cache of unredacted infrastructure financing agreements

that provide detailed information about whether financiers, at the time that they signed the agreements with their host country counterparts, identified behavioral expectations related to ESG risk management and mechanisms to monitor and enforce compliance with those expectations. AidData used these agreements to create indicators that measure the formal stringency of China's ESG safeguards built into its infrastructure grant and lending instruments. It then applied these metrics to the full GCDF 3.0 dataset.

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

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

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