

# Zimbabwe

## Chinese Development Finance, 2000-2023



### Country Profile

May 2026

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## Table of contents

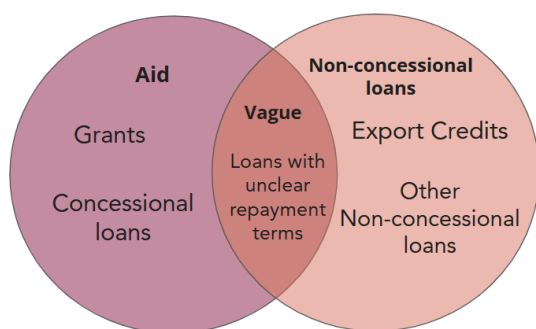
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Executive Summary	3
Overview	4
How much development finance has China provided Zimbabwe since 2000?	6
How does China compare to other development partners?	7
Which donors and lenders from China are active in Zimbabwe?	8
What kinds of financial and in-kind support does China offer Zimbabwe?	9
In which sectors is China most active?	11
What are the characteristics of Zimbabwe's debt to China?	13
What does Zimbabwe's current public debt exposure to China look like—and what payments are due?	15
What kind of project implementation challenges has China faced in Zimbabwe?	17
How does Chinese financing to Zimbabwe compare to other countries in Eastern Africa?	19
Appendices	20

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

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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.

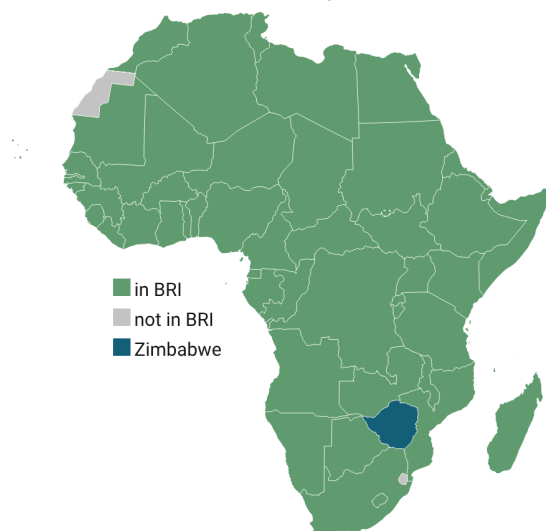
Non-concessional loans are those provided at or near market rates. The Organisation for Economic Co-operation and Development (OECD) determines which official sector financial flows constitute "aid" based on a grant element threshold for concessionality. Given that China does not report its loans or 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.

## Executive Summary

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- China is Zimbabwe's largest bilateral development partner, but political instability and mounting arrears have brought new lending to a halt. Between 2000 and 2023, official sector lenders and donors from China committed \$5.3 billion across 229 projects, making Zimbabwe the sixth largest recipient of Chinese aid and credit in Eastern Africa. Financing surged in 2015, when Chinese lenders signed \$1.5 billion in commitments during President Xi Jinping's state visit. Since the 2017 coup that ousted Robert Mugabe, annual commitments have stayed below \$200 million, with only \$6 million committed in 2023.
- Loans make up 89% of the portfolio, but grants play a larger role in Zimbabwe than in most Chinese borrower countries. Grants account for 11% of total commitments at \$560 million, spread across 178 records representing 80% of all activity by record count. MOFCOM provided 27 grants and loans worth \$369 million. China Eximbank leads lending with \$3.1 billion across 20 loans, followed by China Development Bank at \$945 million.
- Energy; communications; and industry, mining, and construction account for 62% of all Chinese financing to Zimbabwe. Energy leads at \$1.5 billion (28%), communications follows at \$1.1 billion (21%), and industry, mining, and construction accounts for \$671 million (13%).
- Two-thirds of China's cumulative loan commitments to Zimbabwe show signs of financial distress. Of \$4.7 billion in total lending, 65% exhibits evidence of arrears, default, or renegotiated terms. Distress is particularly acute among large infrastructure and expansion projects, including the Robert Gabriel Mugabe International Airport expansion, telecommunications expansion projects, and power plants.
- Chinese lenders backed 70% of their loans to Zimbabwe with credit enhancements, but collateral has not prevented widespread arrears. Collateralization alone covers 53% of all Chinese lending in Zimbabwe. Despite these protections, multiple collateralized loans have fallen into arrears.
- By the end of 2024, Zimbabwe owed an estimated \$2.2 billion in outstanding PPG debt to Chinese creditors, equivalent to about 41% of its total external public debt and 5.3% of GDP. The World Bank and IMF classify Zimbabwe as actively in debt distress. Despite persistent arrears, Chinese creditors have not yet engaged in formal debt negotiations.
- The Hwange Makomo Power Station expansion illustrates how repayment failures and resettlement costs compound to delay project delivery. The \$1 billion China Eximbank-financed expansion, contracted to Sinohydro, was expected to take 42 months but was not commissioned until 2023, years behind schedule. Disbursement pauses by China Eximbank over arrears and misuse of escrow funds contributed to delays. The expansion also required the relocation of approximately 480 households at an estimated cost of \$60 million that had not been included in the original project budget. In late 2024, severe air pollution from the plant's older generating units forced a further relocation of more than 500 families from the town of Hwange.

### African countries that have joined the BRI



### Zimbabwe and China's Belt and Road

Zimbabwe is located in southern Africa and is a landlocked country. In 2018, the two countries signed the “Memorandum of Understanding (MoU) between the Government of the People’s Republic of China and the Government of the Republic of Zimbabwe on Jointly Promoting the Construction of the Silk Road Economic Belt and the 21st-Century Maritime Silk Road”, marking Zimbabwe’s entry into the BRI on September 1, 2018.

### Historic relationship

The Republic of Zimbabwe and the People’s Republic of China have maintained a diplomatic bilateral relationship since 1980, when Zimbabwe—then known as Rhodesia—first gained independence from the United Kingdom. During Zimbabwe’s War of Independence between 1964 and 1979, China agreed to cooperate with later-President Robert Mugabe’s Zimbabwe African National Union (ZANU) in 1979, with ZANU’s offspring organization, ZANU-PF, remaining in power from 1980 onward until today. Between 1981 and 1996, China and Zimbabwe signed multiple agreements on trade, cultural, and economic cooperation.

### Present-day relationship

China has emerged as Zimbabwe’s most important bilateral development partner, cultivating deep ties that extend across trade, mining, and infrastructure. Tobacco remains the centerpiece of their trade relationship, while Chinese firms have secured stakes in Zimbabwe’s extractive industries, including lithium. Beijing has also advanced its influence through symbolic projects like the 2017 parliament building in Harare and high-profile security assistance, including a 2023 donation of military equipment worth hundreds of millions.<sup>1</sup>

Zimbabwe’s political volatility has shaped the trajectory of China’s engagement. Nationwide protests in 2016 over economic collapse and the 2017 coup that ended Robert Mugabe’s presidency marked a turning point: Beijing scaled back new non-concessional loans, while aid flows became more prominent. In 2018, Zimbabwe formally joined the Belt and Road Initiative, further institutionalizing the partnership. President Xi Jinping and President Emmerson Mnangagwa’s 2024 meeting at FOCAC reaffirmed ambitions for “five-star ironclad cooperation,” issuing a joint declaration to build a “high-level China-Zimbabwe community with a shared future.”<sup>2</sup>

<sup>1</sup>For more information on China’s donation of military equipment, see the South China Morning Post’s reporting (2023) at: <https://www.scmp.com/news/china/diplomacy/article/3245374/china-gives-zimbabwe-military-equipment-worth-us28-million-boost-security-and-modernise-defence>.

<sup>2</sup>For more information, see the PRC’s Ministry of Foreign Affairs at [https://www.fmprc.gov.cn/eng/gjhdq\\_665435/2913\\_665441/3119\\_664264/3121\\_664268/202409/t20240905\\_11485536.html](https://www.fmprc.gov.cn/eng/gjhdq_665435/2913_665441/3119_664264/3121_664268/202409/t20240905_11485536.html)

# Overview: Chinese development finance in Zimbabwe from 2000-2023

**\$5.3 billion**

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

**89%**

of Chinese development finance is provided via loans.

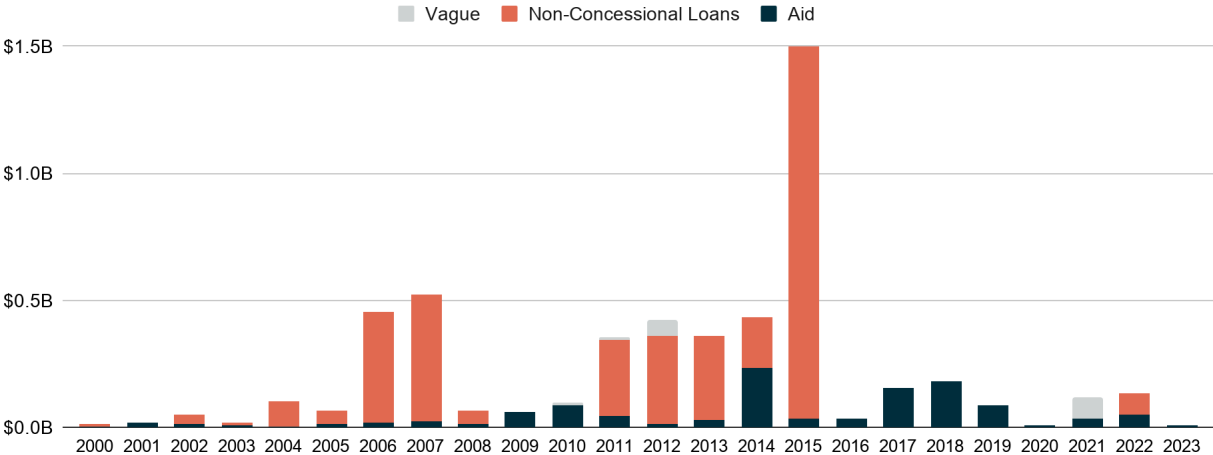
**178**

grants, technical assistance, and training activities offered.

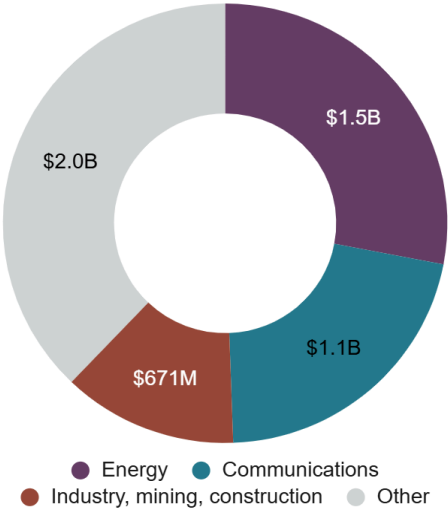
**6th**

largest recipient of Chinese aid and credit in Eastern Africa.

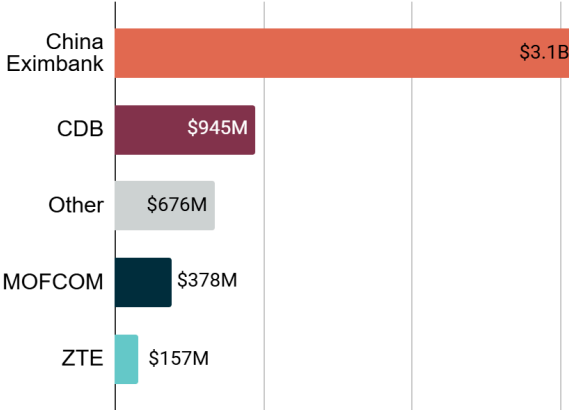
Official sector financial commitments from China to Zimbabwe, 2000-2023<sup>3</sup>



Portfolio by type of sector



Portfolio by funder



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

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

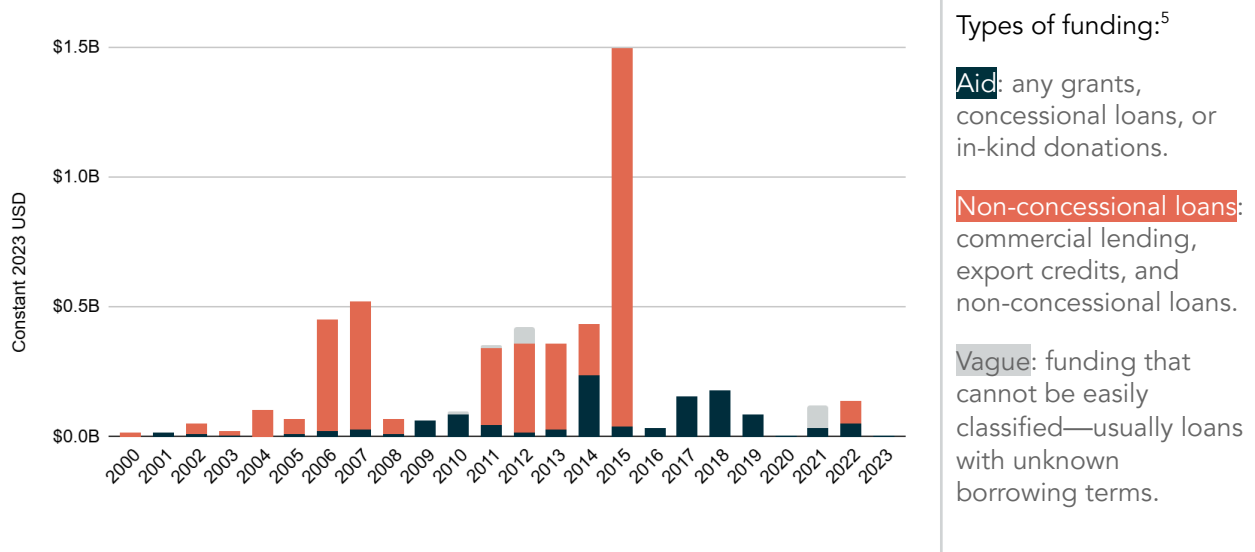
# How much development finance has China provided Zimbabwe since 2000?

Zimbabwe joined China’s BRI in 2018. However, even before the agreement was signed, China had established itself as a major lender to Zimbabwe, with 2015 representing the peak year of Chinese financing to Zimbabwe between 2000 and 2023 (see Figure 1.1). South Africa, United Arab Emirates, and China are among Zimbabwe’s biggest trading partners, but China has positioned itself as Zimbabwe’s largest bilateral development partner. For a list of bilateral diplomatic visits between China and Zimbabwe in the BRI era, see Appendix A.

Zimbabwe has undergone multiple periods of instability in recent years, impacting China’s development portfolio in the region. Starting in 2016, large-scale protests erupted in Zimbabwe due to its weak economy. In November 2017, a coup d’etat ousted Zimbabwe’s president Robert Mugabe from power. Zimbabwe’s increased political instability has led to an increase in aid flows while non-concessional loans have ceased since the coup.

Between 2000 and 2023, official sector lenders and donors from China provided loan and grant commitments worth \$5.3 billion for 229 projects and activities in Zimbabwe. Despite its relatively small economy (GDP: \$35.8 billion) and population (16.3 million), Zimbabwe ranks as the sixth largest recipient of Chinese aid and credit in Eastern Africa, and 75th globally.<sup>4</sup> China’s development portfolio in Zimbabwe surged in 2015, coinciding with President Xi Jinping’s state visit. During President Xi’s visit or soon after, Chinese lenders signed commitment agreements for \$1.5 billion in aid and non-concessional loans (see Figure 1.1). However, since 2015, annual Chinese commitments to Zimbabwe have stayed below \$200 million, with only \$6 million committed in 2023.

Figure 1.1: Official sector financial commitments from China to Zimbabwe



<sup>4</sup>The global ranking includes high income countries.  
<sup>5</sup>For more information on these categories, please see Appendix B.

## How does China compare to other development partners?

China is Zimbabwe’s largest development partner (see Figure 1.2). The proportion of its portfolio that qualifies as aid (22%, \$1.2 billion) is much smaller compared to other bilateral donors. Most of its flows are export credits (41%, \$2.2 billion) and other non-concessional loans (33%, \$1.7 billion). The United States is the country’s second-largest development partner and top aid provider. The United Kingdom, which has deep-rooted historic ties to Zimbabwe, ranks third among bilateral aid providers—directing its aid to support health, education, and reproductive health in Zimbabwe.

Zimbabwe is among the countries most affected by recent Western aid reductions. The U.S. downsized USAID in February 2025, immediately disrupting HIV services, and health funding talks subsequently collapsed in February 2026, prompting the U.S. to end health aid to the country entirely. The UK’s cuts have proven more severe than initially signaled as well: bilateral UK aid to Africa will fall by 56% from 2024/25 to 2028/29, with Zimbabwe among the explicitly named affected countries — well beyond the 0.3% GNI reduction originally announced.

Figure 1.2: Top bilateral and multilateral development partners, 2000-2023

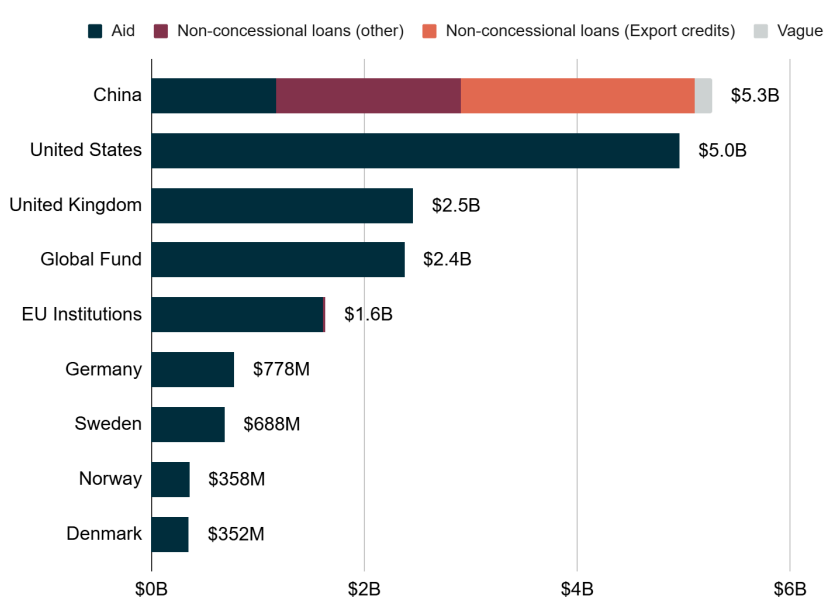


Figure 1.2 contains the top nine development partners providing aid and other financing to Zimbabwe. However, only China has detailed bilateral export credit flows to Zimbabwe. This level of granularity is not available for other development partners as the OECD does not provide export credit data for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

Total export credits from G7 Countries: -\$93 million.<sup>6</sup>  
 Total export credits from DAC member countries (including G7): \$55 million.

### How does China use export credits?

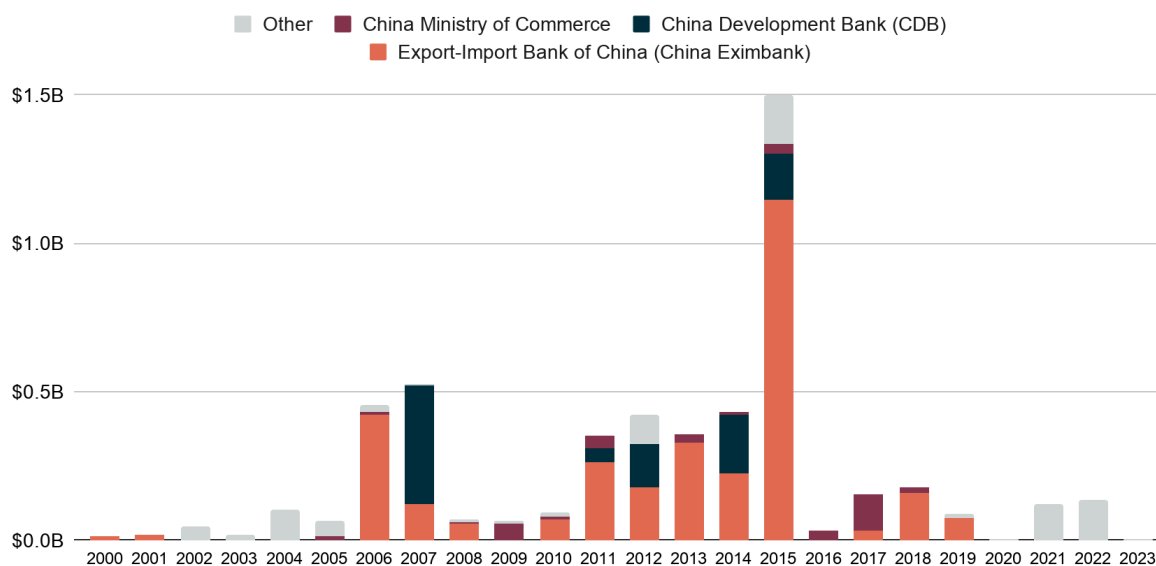
The central role that export credits play in China’s overseas lending portfolio sets it apart from other official sector creditors: Under a so-called “Gentlemen’s Agreement” on Officially Supported Export Credits, OECD member countries agreed in 1978 to “tie their own hands” and voluntarily abide by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

<sup>6</sup> Zimbabwe had no reported export credits from G7 donors since 2014. In 2002 and 2003 the OECD reported negative gross export credit flows. Export credits are negative in OECD reporting when there are currency fluctuations, trade deficits, or weak domestic production, etc.

## Which donors and lenders from China are active in Zimbabwe?

Between 2000 and 2023, 43 official sector donors and lenders from China provided aid and non-concessional loans to Zimbabwe. This is a larger group of active Chinese donors and lenders compared to the rest of China’s development finance portfolio, which averages only 22 state-owned donors and lenders in each country. 84% of China’s development finance portfolio is provided through three main donors and lenders. The other 13% is provided by a diverse array of government agencies (including central, regional, or municipal government agencies), state-owned commercial banks, state-owned companies, or unspecified entities.

Figure 1.3: Top Chinese donors and lenders



The Export-Import Bank of China (China Eximbank) was the first Chinese lender to engage with Zimbabwe in the 2000s. This first loan was a \$13.8 million loan for expansion of the Sino-Zimbabwe Cement Plant. Overall, China Eximbank has provided 20 loans worth \$3.1 billion for projects related to farming, telecommunications, and power generation. The bank’s single largest contribution was a \$1 billion preferential buyer’s credit for the expansion of the 600 MW Hwange Makomo Power Station in 2015. China Eximbank has not provided any new commitments to Zimbabwe since 2019.

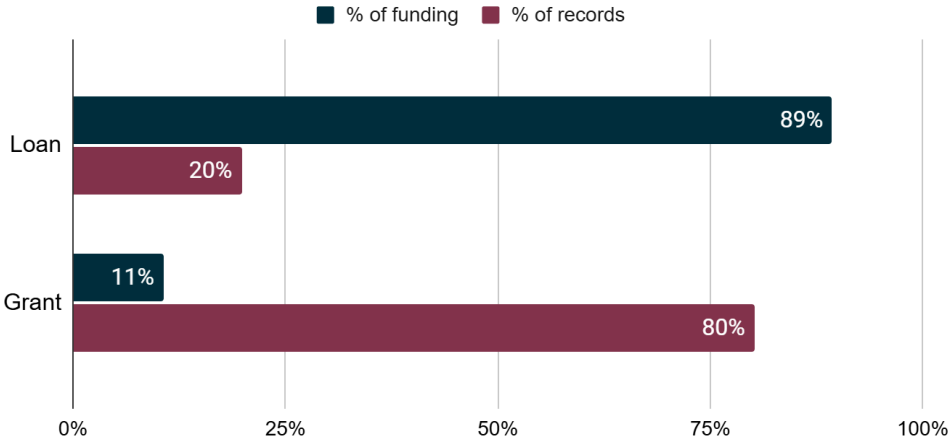
China Development Bank (CDB) issued eight loans worth \$945 million to Zimbabwe between 2007 and 2015. Compared to China Eximbank, CDB loans are typically less concessional. This is because, unlike Eximbank, CDB operates independently of state subsidies, maintaining its own balance sheets and lending on more commercial terms despite being a state-owned policy bank. CDB’s lending in Zimbabwe primarily supported the telecommunications sector by providing loans to Econet Wireless Zimbabwe for network expansion.

China’s Ministry of Commerce (MOFCOM) is another major Chinese financier in Zimbabwe. It provided 27 grants and loans worth \$369 million between 2005 and 2018. MOFCOM’s financing in Zimbabwe is dominated by grants for food assistance and a variety of infrastructure projects such as a new parliamentary building, school buildings, and health facilities. MOFCOM last committed a grant to Zimbabwe in 2018.

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

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 Zimbabwe. In terms of record counts, grants account for 80% of all activity records in Zimbabwe (178 records capturing activities taking place between 2000 and 2023), while loans account for 20% (or 44 records).

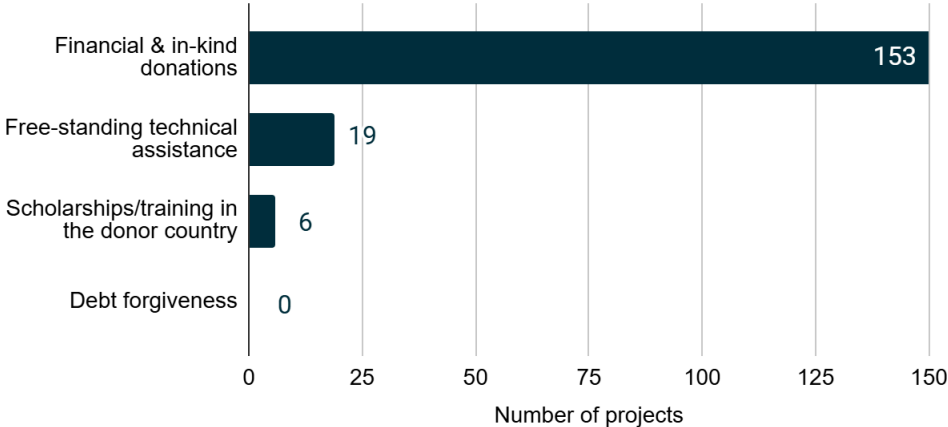
Figure 1.4: Top financial instruments used by China in Zimbabwe



Note: Debt rescheduling and Vague records are excluded from this visual since they are neither loans nor grants.

89% of China’s official sector financing to Zimbabwe takes the form of loans (totaling \$4.7 billion), while 11% (\$560 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.

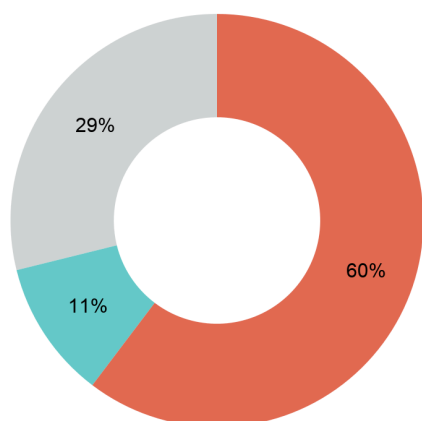
Figure 1.5: Breakdown of grants by project count



From 2000 to 2023, Zimbabwe received \$560 million across 178 grants from official sector Chinese entities. Common donations include food assistance, agricultural equipment, medical supplies, and school equipment. The single largest grant from China to Zimbabwe was a \$106 million grant from MOFCOM to construct a new parliament building in Harare. Besides financial and in-kind donations, China has also provided technical assistance and scholarships

predominately in the education and health sectors. Technical assistance between 2000 and 2023 primarily consisted of 14 medical teams dispatched to Harare Central Hospital, Parirenyatwa Hospital, and Mpilo Central Hospital. Scholarships were provided both by the Chinese government and Qingdao Hengshun Zhongsheng Group for Zimbabwean students to further their education in China.

Figure 1.6: Breakdown of lending by purpose



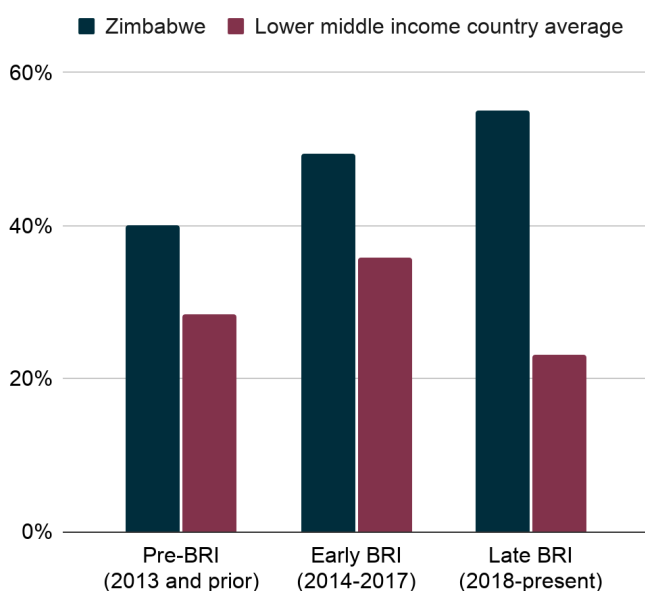
**Infrastructure:** loans to support the construction, rehabilitation, or maintenance of a physical structure.

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

**Other:** loans for equipment acquisition, unspecified purposes, inter-bank loans.

60% of China’s \$4.7 billion in official sector lending to Zimbabwe supports infrastructure projects. Nearly 87% of all infrastructure project lending in Zimbabwe is implemented by at least one Chinese entity, such as a Chinese state-owned or private sector company. 11% of China’s loan commitments in Zimbabwe support corporate activities. These include loans for mergers and acquisitions in the mining sector and general corporate support to various companies. 29% of Chinese lending commitments fall under the “other” category, representing supplier’s credits for mining equipment, agricultural equipment, and aircraft.

Figure 1.7: Grant element over time



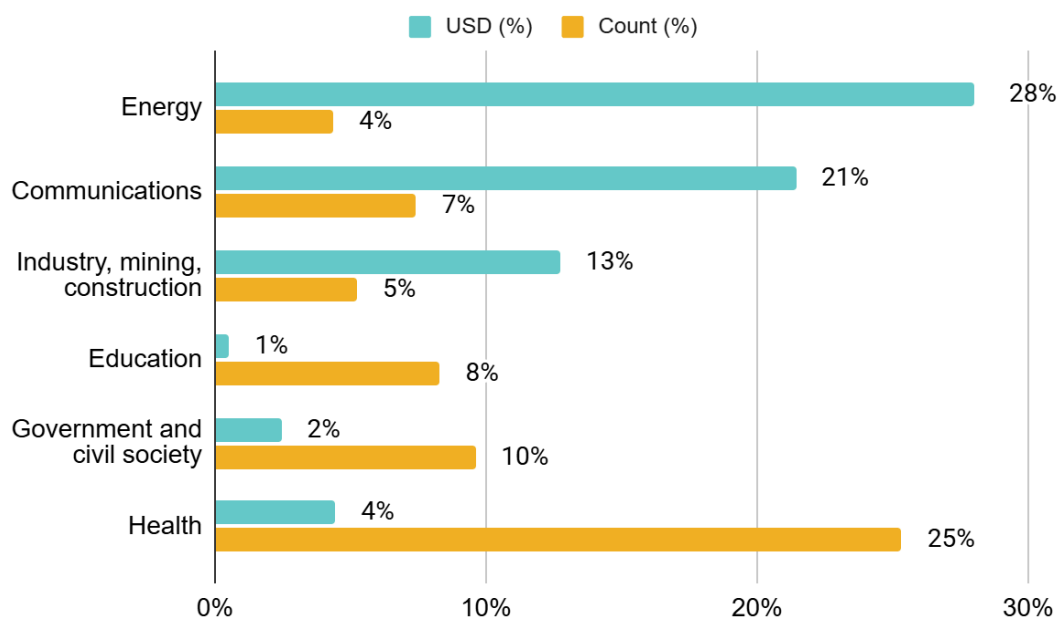
A loan’s grant element is a measure of how concessional (i.e. favorable) its terms are relative to market rates. It ranges from 0% (not concessional) to 100% (fully concessional). The grant element of China’s lower-middle income lending portfolio fluctuated between 23% and 36% from 2000 to 2023. Unlike in other lower-middle income countries, Zimbabwe experienced a rise in grant element over time. Lenders like CDB, who provided less concessional lending, were more active in Zimbabwe in the pre- and early-BRI period thus bringing down the overall grant element in those years. The late BRI period grant element is driven up by two concessional loans from China Eximbank in 2018 and 2019.

## In which sectors is China most active?

Top sectors for China's aid and credit in Zimbabwe 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 illustrates 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, 62% of China's grant and loan commitments to Zimbabwe supported three core sectors: transportation, energy, communications, and industry, mining, construction between 2000 and 2023.

- **Energy:** This sector is the largest sector by financial value with \$1.5 billion in funding committed (or 28% of China's entire portfolio). It encompasses the generation and distribution of renewable and non-renewable sources, as well as hybrid and nuclear power plants. Large-scale activities in the energy sector include preferential buyer's credits from China Eximbank worth \$1 billion for the 600 MW Hwange Makomo Power Station Expansion Project and \$330 million for the Kariba South Hydro Project. No new energy sector commitments have been made since 2020.
- **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 \$1.1 billion in funding (or 21% of China's portfolio). Activities in the communications sector include a \$314 million syndicated loan from CDB and ZTE Corporation to Econet Wireless Zimbabwe in 2015 for Information and Communication Technology (ICT) market consolidation and new services, and a \$226 million loan from China Eximbank to the government of Zimbabwe in 2014 for the second phase of the NetOne Expansion Project, which involved the

establishment of new base stations for one of Zimbabwe's state-owned phone operator companies. No new communications sector commitments have been made since 2019.

- **Industry, mining, construction:** This sector includes manufacturing, fossil fuels, mining for coal, gas, metals, minerals, and construction. 13% of China's development finance portfolio in Zimbabwe is dedicated to this sector, representing \$671 million in aid and non-concessional loans. The largest commitment in this sector was a loan from CDB in 2007 worth \$399 million to finance Sinosteel's acquisition of a 92% equity stake in Zimasco Consolidated Enterprises (ZCE), the owner of Zimbabwe's largest chromium producer, Zimbabwe Mining and Smelting Company (Zimasco). The most recent commitment in this sector was a syndicated loan in 2022 from Shanghai Pudong Development Bank and China Citic Bank International worth \$85 million to finance Sinomine Resource Group's full acquisition of Bikita Lithium Mine in Zimbabwe.

China is also heavily engaged in the "software" sectors, such as health, education, and governance. 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.

- **Education:** This sector encompasses schooling at the primary, secondary, and post-secondary levels, as well as technical and advanced training activities. These education activities represent \$28 million in funding and 8% of China's total record count, with 19 activities recorded. Common activities in the education sector in Zimbabwe include the provision of scholarships, the donation of school supplies, the establishment of Confucius Institutes, and grants for the construction of new schools.
- **Government and Civil Society:** This sector encompasses activities that address public procurement, subnational government support, elections, democratic participation, and human rights. This sector represents \$129 million in funding and a total of 22 records (or 10% of the total record count). The largest commitment in this sector was a grant from MOFCOM in 2017 worth \$106 million for the Parliament Building Construction Project. Other activities in this sector include the donation of vehicles and office supplies to Zimbabwe's government agencies. In 2023, the Chinese government donated books, laptops, and printers to Zimbabwe's ruling ZANU-PF party.
- **Health:** This sector includes medical care, infrastructure, equipment, and control activities. In total, activities in the health sector account for \$234 million in funding and are largest by record count, representing 57 records (or 25% of the total record count). Notable activities include Chinese government donations of medical and anti-epidemic materials, as well as the dispatch of medical teams to Zimbabwe. COVID-19 aid totaled nearly \$87 million, including over 5 million doses of Sinovac and Sinopharm vaccines.

#### At a glance: last 5 years (2019-2023)

- The top sector in terms of financial amount during the past five years was health, primarily due to COVID-19 response and recovery.
- The energy sector was not a priority for China's portfolio in Zimbabwe during the past five years, accounting for less than 1% of all financial commitments between 2019 and 2023. However, other hardware sectors such as industry, mining, construction and communications remained priorities, with these two sectors accounting for 24% and 21%, respectively, of all financial commitments made between 2019 and 2023.

# What are the characteristics of Zimbabwe's debt to China?

44 loans issued	\$4.7 billion total loan commitments	77% of total loan commitments are public debt	65% of total loan commitments shows signs of financial distress	\$2.2 billion total public debt outstanding as of 2024
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## What is "public debt"?

### Public debt (PPG 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. Often referred to as public and publicly-guaranteed (PPG) debt.

### Potential public debt

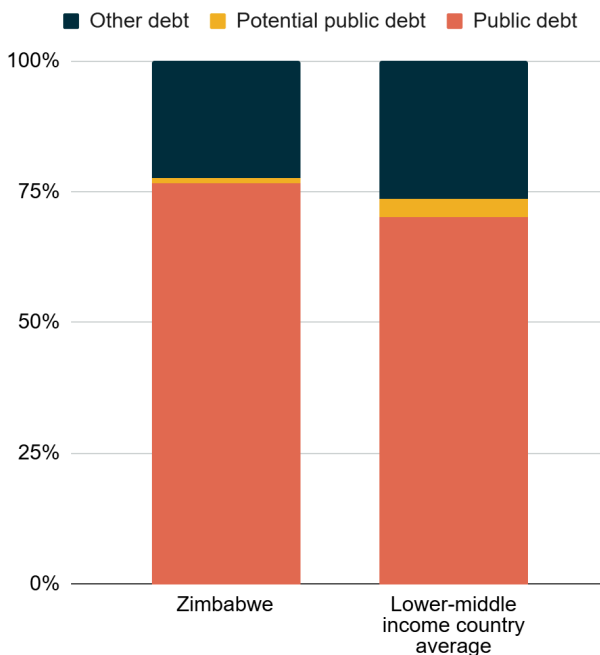
Loans to special purpose vehicles or joint ventures in which recipient governments hold minority equity stakes.

### Private or opaque debt

Loans to private sector borrowers and entities with opaque ownership structures.

**Figure 1.9: Composition of debt from China by level of public liability**

Total debt, 2000-2023 — Zimbabwe: \$4.7 billion. Lower-middle income country average: \$5.2 billion.



The composition of Zimbabwe's debt by level of public liability is largely in line with the average across China's low-middle income country portfolio. Out of Zimbabwe's \$4.7 billion in loans, 77% of them account for public debt, compared to the lower-middle income group average of 70%. \$44 million of China's official sector lending to Zimbabwe qualifies as "potential public sector debt." 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 percentage of potential public debt in Zimbabwe (1%) is lower than the average for other lower-middle income group countries (4%).

To date, 65% of China's cumulative loan commitments to Zimbabwe are in financial distress, significantly more than the 29% average across low- and middle-income countries. Signs of financial distress include borrowers accruing principal or interest arrears, defaulting on their repayment obligations, filing for bankruptcy, or renegotiating loan terms (including suspensions

of principal or interest payments). Zimbabwe's financial distress on Chinese loans is concentrated among loans for large-scale infrastructure and expansion projects, such as the Robert Gabriel Mugabe International Airport expansion, telecommunications expansion projects, and power plant projects—with Zimbabwe falling behind in payments on loans supporting the construction or expansion of these projects.

The amount of financial distress across China's development portfolio indicated a need to de-risk its financing to developing countries. Chinese lenders have utilized credit enhancements, such as collateral, repayment guarantees, or loan insurance to de-risk its financing. Between 2000 and 2023, 70% of Zimbabwe's overall lending portfolio was backed by credit enhancement such as collateral, credit insurance, or third-party guarantees—compared to 61% of China's entire low- and middle-income lending portfolio. Collateralization was the most common type of credit enhancement used in Zimbabwe, with 53% (\$2.5 billion) of Chinese lending to the country benefiting from collateralization. This is higher than China's portfolio across all developing countries, where 43% of all lending was collateralized between 2000 and 2023.

Collateralization in Zimbabwe started as early as 2003 for large-scale infrastructure projects. Despite the collateralized structure of these loans, multiple fell into arrears and have been plagued with controversy. By 2024, several China Eximbank facilities had accumulated arrears and penalties, including \$13 million for the NetOne Expansion Phase 1 project, \$67 million for the NetOne Expansion Phase 2 project, \$37 million for the Kariba South Hydro Project, \$74 million for the Victoria Falls Airport Renovation and Expansion project, and \$18 million for Phase 2 of the TelOne Broadband Expansion project.

The World Bank and IMF also classify the Government of Zimbabwe as actively in debt distress as the country has accumulated significant arrears owed to both bilateral and multilateral donors.<sup>7</sup>

Despite these persistent arrears, Zimbabwe was not eligible for the Debt Service Suspension Initiative (DSSI). The country has since pursued long-term restructuring under the G20 Common Framework, a process contingent on first meeting IMF eligibility criteria. A significant step was taken in April 2026, when IMF Management approved a 10-month Staff-Monitored Programme for Zimbabwe. While Chinese creditors have not engaged in any debt negotiations so far, China did provide some amount of relief by writing off a small amount of interest-free debt from Zimbabwe that was set to mature in 2025.

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<sup>7</sup>For more information on the World Bank-IMF's analysis of Zimbabwe's external debt, please see <http://documents.worldbank.org/curated/en/099110624101529109/BOSIB116aa767707419a681c949b74e3ebe>

## What does Zimbabwe’s current public debt exposure to China look like—and what payments are due?

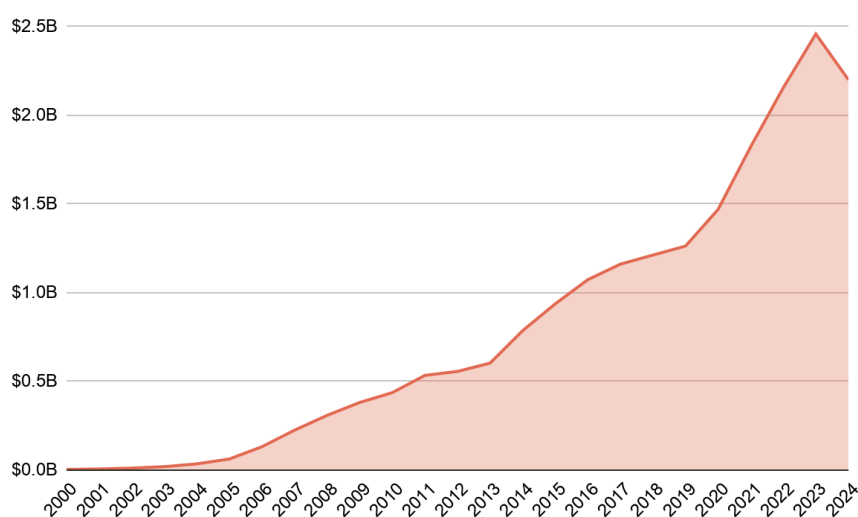
### What is “public debt exposure”?

After a loan agreement is signed, financial outflows and reflows take place over many years through a sequence of disbursements (from the creditor to the borrower) and repayments (from the borrower to the creditor).

To understand the timing and magnitude of these financial flows, the 2.0 version of AidData’s Chinese PPG Loan Performance Dataset (LP 2.0) tracks PPG loan disbursements, repayments, arrears, and restructuring events—and how much debt is owed—over time.

Unlike loan commitment totals—that measure what was initially promised—LP 2.0 measures what is still owed at specific points in time and how repayment pressures evolve over time. In this sense, a country’s level of “public debt exposure” refers to its outstanding PPG repayment obligations. All financial amounts in this section are reported in nominal USD.

Figure 1.10: Outstanding Chinese PPG Debt Stock (nominal USD)



Note: This data is drawn from AidData’s Chinese PPG Loan Performance Dataset, Version 2.0. For more information, please see the methodology.

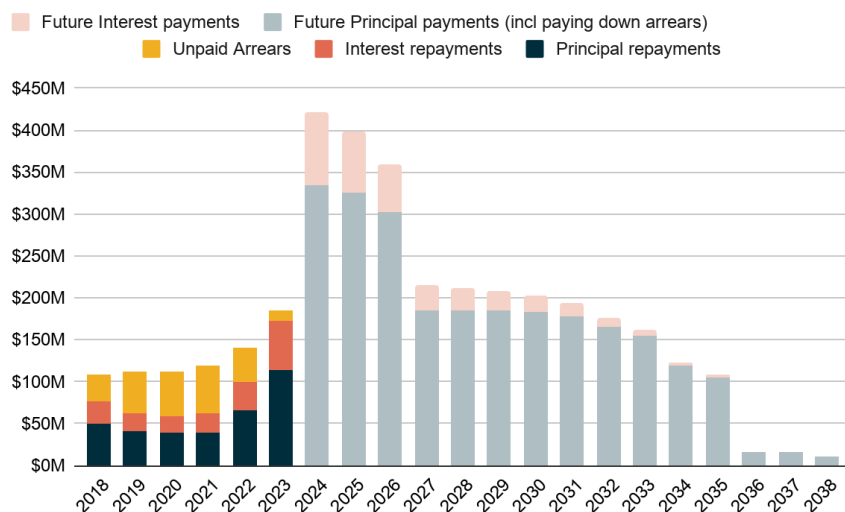
Figure 1.10 shows Zimbabwe’s outstanding Chinese PPG debt stock, which is the total amount of principal that has been disbursed and remains unpaid at the end of each year as well as any unpaid interest or fees. These estimates are based on loan-level data on disbursements and repayments, which are used to track how outstanding balances evolve over time.

By the end of 2024, Zimbabwe owed an estimated \$2.2 billion in outstanding PPG debt to official sector creditors in China. This was equivalent to about 41.3% of Zimbabwe’s total PPG external debt stock to all external creditors, which makes China one of the country’s most significant bilateral creditors.<sup>8</sup> The total PPG debt stock owed to China represented 5.3% of GDP in 2024.

Zimbabwe’s outstanding debt to China is tied to 17 active loans. Of these, four loans remain in their original grace period and 13 are in their original repayment period. By contrast, 18 PPG loans have been fully repaid or otherwise closed out by 2024. Based on existing loan commitments through 2023, Zimbabwe is expected to continue paying down its debt to Chinese creditors until 2039.

<sup>8</sup>World Bank, International Debt Statistics.

Figure 1.11: Zimbabwe’s principal and interest payments to Chinese creditors under PPG loans



Note: This data is drawn from AidData’s Chinese PPG Loan Performance Dataset, Version 2.0. For more information, please see the methodology.

Figure 1.11 shows Zimbabwe’s principal and interest payments due to Chinese creditors. Specifically, it displays principal and interest payments 2018-2025 and future principal and interest payments from 2026-2038.

The estimated principal payments are calculated by adding all principal payments due each year. Future interest and principal payments are projected from loan terms.

Figure 1.11 illustrates the repayment challenges Zimbabwe has faced on its PPG debt to Chinese creditors, as well as the scale of obligations it would need to meet to return its portfolio to good standing. Between 2018 and 2023, Zimbabwe's combined principal and interest payments rose from \$76 million to \$172 million annually. During this period, however, Zimbabwe was missing or only partially servicing its loan obligations, generating new arrears each year ranging from \$12 million to \$56 million. By mid-2023, Zimbabwe had accumulated a total arrears stock of approximately \$500 million.

Starting in 2024, Figure 1.11 presents a hypothetical repayment scenario in which Zimbabwe resumes full, on-time debt service while simultaneously clearing its accumulated arrears over a three-year window. The spike in projected repayments from 2024 onward therefore reflects both the resumption of normal scheduled payments and an accelerated amortization of the outstanding arrears stock.

Given Zimbabwe's current level of debt distress, meeting this hypothetical schedule in full appears unlikely in the near term. The more probable path forward involves continued partial payments while Zimbabwe pursues debt restructuring under the G20 Common Framework—a process that, following the IMF's April 2026 approval of a Staff-Monitored Programme, has now moved closer to formal engagement with bilateral creditors including China.

# What kind of project implementation challenges has China faced in Zimbabwe?

## Chinese-financed infrastructure projects in Zimbabwe:

45

infrastructure projects supported by grants and loans from China

**\$3.1 billion**

in loan and grant commitments supporting infrastructure projects

Examples of infrastructure implementation risks:

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

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

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

From 2000 to 2023, infrastructure projects accounted for 64.5% of China's development finance portfolio in low- and middle-income countries. These infrastructure projects often face project implementation delays caused by environmental, social, and governance (ESG) risks, episodes of debt distress, or political instability in the recipient country. In Zimbabwe, the 600MW Hwange Makomo Power Station expansion project exemplifies implementation challenges due to issues with repayment and local resettlement.



The Hwange Makomo Power Station in Zimbabwe is a coal-fired power plant located in Hwange, Matabeleland North, Zimbabwe. It is adjacent to the Wankie Mine, an open cast coal operation. Prior to the expansion, the plant already supplied approximately 40% of the

country's electricity from six generating units, four 120MW units and two 220MW units. The expansion funding intended to provide two 300MW units, Units 7 and 8.

The government of Zimbabwe obtained a \$1 billion preferential buyer's credit (PBC) from China Eximbank in 2015 for the expansion works, which it lent to the plant's owner Makomo Resources (PVT), a mineral exploration company.<sup>9</sup> Sinohydro, a Chinese state-owned enterprise, would serve as contractor for the work. The expansion was slated to take 42 months to complete, but was ultimately commissioned by the Zimbabwean president in 2023, after several implementation delays.

The project commenced on August 1, 2018 and was expected to reach completion within 42 months. Throughout the commencement of work, the project faced two known instances of temporary disbursement halts by China Eximbank. In early 2018, concerns over arrears owed to Sinosure caused a pause of disbursements. Then, in October 2019, the government of Zimbabwe diverted \$10 million from an escrow account linked to the Robert Gabriel Mugabe International Airport expansion project, which led China Eximbank to pause disbursements for three separate infrastructure projects including the Hwange Makomo Power Station.

Then, in May 2021, approximately 480 households that lay about 100 meters from the plant in the village of Ingagula, would be relocated for a new transmission line as a component of the expansion. Additionally, three other communities between the village of Hwange and the city of Bulawayo would also have to be moved as a result of the transmission line. As news unfolded and residents were assured that they would be compensated and provided new accommodations, the project manager reportedly told ZPC that the cost of relocating the families—an estimated \$60 million—had not been in the initial project budget, and that ZPC must raise the funds separately. ZPC began its compensatory housing project and reportedly had handed over several of the promised homes by 2023.

In September 2023, Units 7 and 8 entered into operation, and the expansion project was commissioned in 2023. Then, in late 2024, severe air pollution from the coal-burning plant forced ZPC to relocate more than 500 families from the town of Hwange. Local officials and Sinohydro officials maintain that the older units (1-6) caused the severe pollution. The International Center for Sustainable Carbon, who originally publicized the story, corroborated this claim by commending the Chinese-built generating units for their flue gas desulphurisation (FGD) technology, which serves to limit sulphur dioxide emissions.

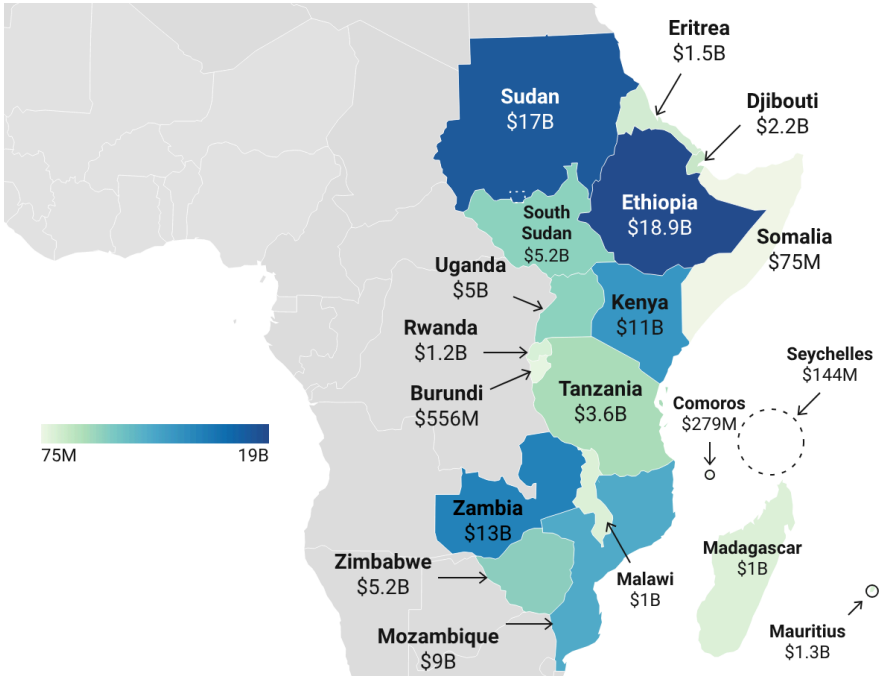
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<sup>9</sup>A Preferential (Export) Buyer's Credit (PBC) is a USD-denominated or EUR-denominated loan that the Export-Import Bank of China (China Eximbank) issues to government institutions to facilitate their acquisition of goods/services from a Chinese supplier.

# How does Chinese financing to Zimbabwe compare to other countries in Eastern Africa?

Between 2000 and 2023, Chinese official sector financiers directed 3,423 loans and grants to Eastern Africa worth \$98 billion. In Figure 1.12, AidData provides a cumulative view of China’s development finance portfolio in the region. 89% (\$88 billion) of China’s financing to the region occurred between 2000 and 2017, the pre-BRI and early BRI periods. The average annual financing during these years was \$4.9 billion, with commitments exceeding \$10 billion in peak years (2013 and 2014), and a notable dip in 2021 and 2022 during the COVID-19 pandemic, with annual commitments falling below \$1 billion. Zimbabwe received 5% (\$5 billion) of all Chinese financing to the region, making it the sixth-largest recipient in Eastern Africa.

Figure 1.12: Cumulative financial commitments from China to Eastern Africa, 2000-2023<sup>10</sup>



The largest recipients of Chinese financing in the region between 2000 and 2023 include Ethiopia (\$19 billion), Sudan (\$17 billion), and Zambia (\$13 billion), while the lowest ranking recipients include Comoros (\$279 million), Seychelles (\$144 million), and Somalia (\$75 million). Priority sectors for China’s portfolio in the region include transport (27% of the region’s financing), energy (21%), industry, mining, construction (15%), and communications (9%). These four sectors rank among the top five sectors for Chinese financing to Zimbabwe, along with agriculture, forestry, fishing.

Infrastructure projects account for 78% of Chinese financing to Eastern Africa. China’s portfolio in Zimbabwe aligns with this priority, with 59% of financing in this country allocated for infrastructure projects, such as the 600MW Hwange Makomo Power Station Expansion Project, the Kariba South Hydro Project, and the Victoria Falls Airport Renovation and Expansion Project. Outliers in the region include Somalia, with no financing allocated for infrastructure projects, and South Sudan, with only 31% allocated for infrastructure projects.

<sup>10</sup>Seychelles is a high income country.

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

According to polling provided by Gallup, Zimbabweans held an average approval rate of China of 60% between 2006 and 2024 (with the exception of 2007, when no data was captured).<sup>11</sup> This approval rate of Zimbabweans toward China falls in line with the global average trend of 59.5% over the same time period. Approval was lowest in 2011, at 51.6%, and highest in 2017, at 70.8%. In 2024, approval was at 65%.

Figure A.1: Zimbabwe’s approval of Chinese leadership, 2006-2024<sup>12</sup>

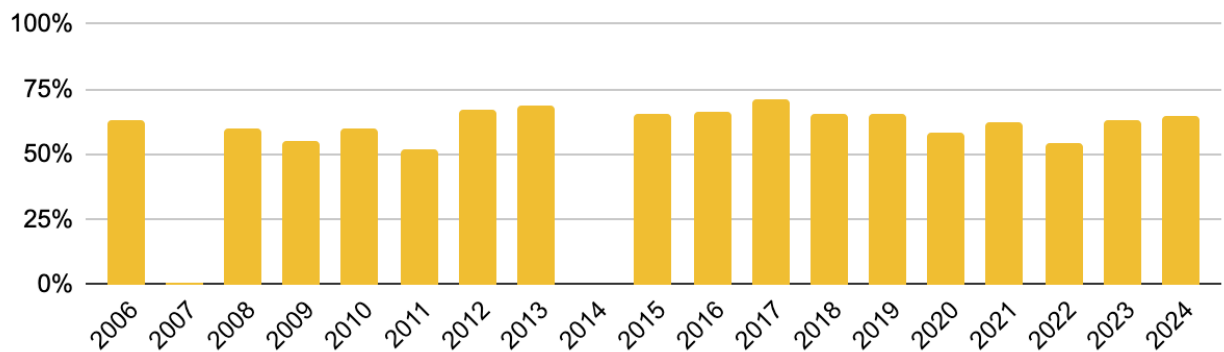


Figure A.2: Bilateral diplomatic visits between China and Zimbabwe

2014 AUG	Zimbabwean President Robert Mugabe visited Beijing and met with President Xi Jinping to strengthen “old” bilateral ties.
2015 DEC	President Xi visited Zimbabwe and met with President Mugabe to hold diplomatic talks and sign 10 bilateral cooperation agreements.
2018 APR	New Zimbabwean President Emmerson Mnangagwa visited China and met with President Xi where diplomatic talks were held.
2021 NOV	Foreign Minister Wang Yi met with Zimbabwean Foreign Minister Frederick Muziwa Makamure Shava and held diplomatic talks ahead of the Forum on China-Africa Cooperation (FOCAC).
2022 JUL	The Foreign Minister of the People's Republic of China visited Zimbabwe and met with President Emmerson Mnangagwa to discuss strengthening bilateral ties.
2024 SEP	President Mnangagwa visited Beijing and held diplomatic talks boosting bilateral cooperation with President Xi ahead of FOCAC.

<sup>11</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 2006-2022. For Zimbabwe, data is available for 2006, 2008-2013, and 2015-2024. For more information on the Gallup methodology, see <https://www.gallup.com/178667/gallup-world-poll-work.aspx>

<sup>12</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 China Global Loans and Grants 1.0 dataset. For more details regarding the methodology used to assemble the data, please refer to the Tracking Loans and Grants from China to Low-, Middle-, and High-Income Countries: An Application of AidData's TUFF 4.0 Methodology. All financial values reported in this profile represent USD Constant 2023 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 in CLG 1.0).
- 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 in CLG 1.0).
- 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 Zimbabwe 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.

## Financial Distress:

This profile includes a measure of “financial distress,” defined as loans that show evidence of principal or interest arrears, default on repayment obligations, borrower bankruptcy, or the renegotiation of loan terms (including suspensions of principal or interest payments). The inclusion of restructured loans in this definition represents a methodological change; as a result, the share of cumulative loan commitments classified as distressed in this version of the profile may be higher than in previous versions.

## Project implementation challenges methodology:

To better understand the implementation challenges within China’s overseas infrastructure portfolio, AidData developed a new coding framework to systematically identify and categorize environmental, social, and governance (ESG) problems associated with Chinese-financed infrastructure projects in low- and middle-income countries. Under this framework, AidData flags projects when there is credible evidence of a significant environmental, social, or governance issue arising before, during, or after the implementation of a Chinese-financed infrastructure project.

Common ESG challenges 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.

## Loan Performance Methodology

AidData’s Chinese PPG Loan Performance Dataset 2.0 is a loan-level dataset that tracks the disbursement, repayment, arrears, restructuring, and outstanding debt trajectories of public and publicly guaranteed (PPG) loans issued by Chinese state-owned creditors to low- and middle-income countries. Building off the detailed loan commitment records captured in the 3.1 version of AidData’s Global Chinese Development Finance dataset, the 2.0 version of the Loan Performance dataset tracks 3,100 Chinese PPG loans issued to 124 borrowing countries between 2000-2022. To capture the full breadth of the Chinese PPG lending relationships, the Loan Performance dataset also retains some PPG loans supporting defense and security purposes (rather than development purposes). The dataset synthesizes over 11,000 independently-sourced, loan-level performance observations drawn from public debt reports and repositories, stock exchange filings, bond prospectuses, and audited financial statements.

These pieces of information are leveraged in conjunction with amortization schedule modeling techniques to create the best approximation of each loan's financial performance over time.

Each loan is represented through three complementary amortization models. The "planned model" constructs an amortization schedule based only on original commitment terms and assumes full and timely repayment without deviations. The "perfect compliance" model incorporates observed disbursements and time-varying interest rate benchmarks (for floating-rate instruments) while still assuming payments occur as scheduled. The "actual performance" model integrates observed disbursement and repayment behavior, time-stamped debt stock values, and credit events including arrears, missed payments, and restructuring agreements (e.g., DSSI-related deferrals) to reconstruct each loan's realized trajectory. Together, these models enable comparisons between the repayment burdens implied at signing and the repayment burdens realized over time, and they support consistent aggregation of debt service and debt stock across loans and countries.

The debt stock statistics in this profile are calculated from "actual performance" model outputs and are aggregated across all PPG loans for a given borrower country and calendar year. Figure 1.10 displays the country's outstanding Chinese PPG debt stock by year. This measure captures the estimated balance of loan amounts outstanding at the end of each calendar year across all Chinese PPG loans to the borrower. The measure combines observed debt stock data with modeled amortization schedules and includes both remaining principal and any unpaid interest charges. Figure 1.11 shows the country's annual debt service payments on Chinese PPG loans, including both principal and interest payments. These variables include normal debt service as well as altered payments associated with debt service suspensions and restructuring agreements.

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We thank Lea Thome for drafting an early version of this profile; Jacqueline Zimmerman for her contributions to the project implementation section; Sheng Zhang for providing data analysis support; and Katherine Walsh for supporting the formatting and data visualization design. Cover design by Sarina Patterson; cover image shows Zimbabwe's new parliament building. Photo by Mangwanani, licensed under CC BY-SA 4.0.

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 the 1.0 version of AidData's China's Global Loans and Grants dataset and the 2.0 version of AidData's Chinese PPG Loan Performance Dataset, although it also draws upon ancillary data from other sources. CLG-Global 1.0 is a uniquely comprehensive and granular dataset that captures 33,580 projects across 217 low-, middle-, and high-income countries supported by loans and grants from official sector institutions in China worth \$2.2 trillion. It tracks projects over 24 commitment years (2000-2023) and provides details on the timing of project implementation over a 26-year period (2000-2025). An accompanying report, [Chasing China: Learning to Play by Beijing's Global Lending Rules](#), analyzes the dataset and provides myth-busting evidence about the changing nature, scale, and scope of China's overseas finance 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](mailto:china@aiddata.org).

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