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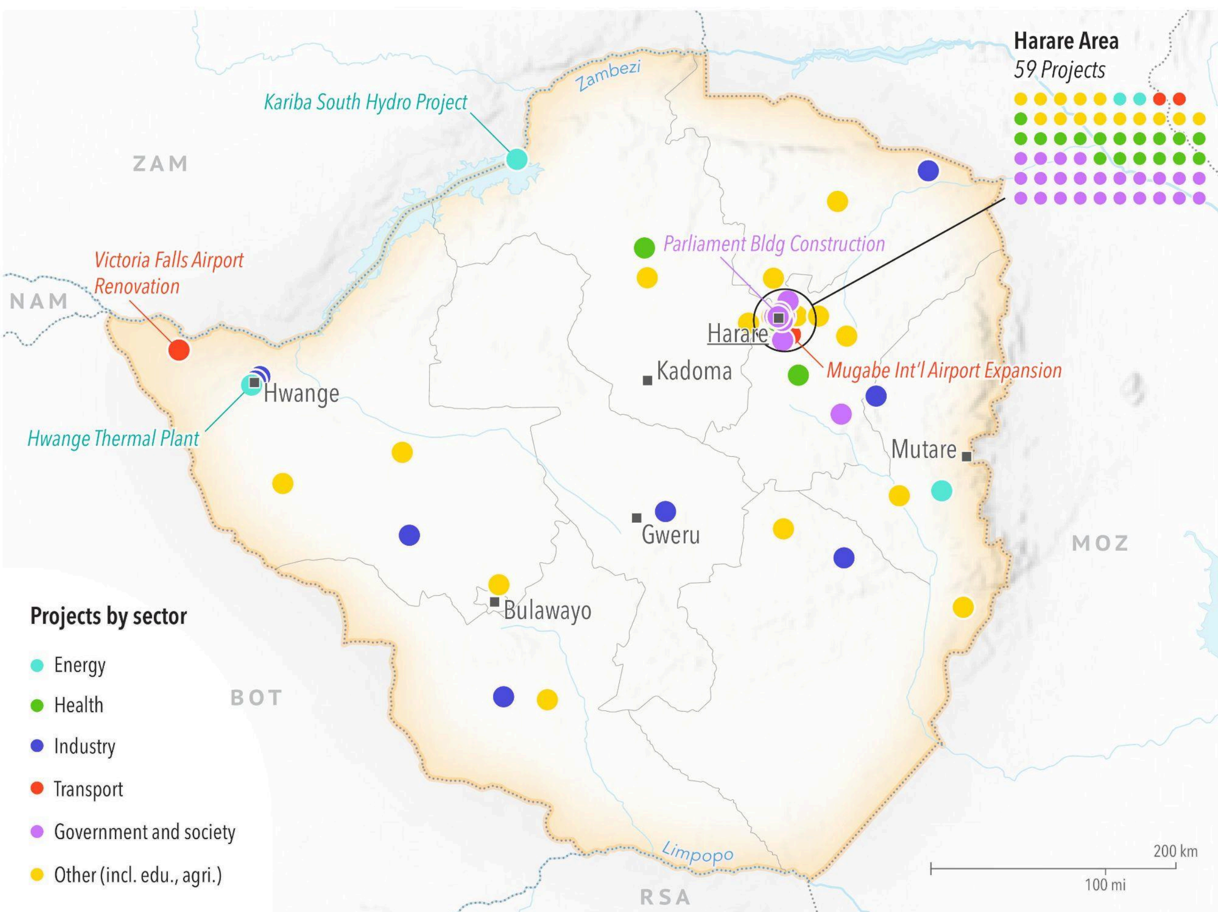
Zimbabwe

The Scale, Scope, and Composition of Chinese Development Finance

October 2025



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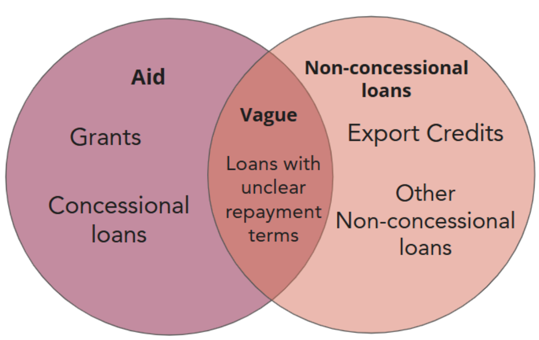
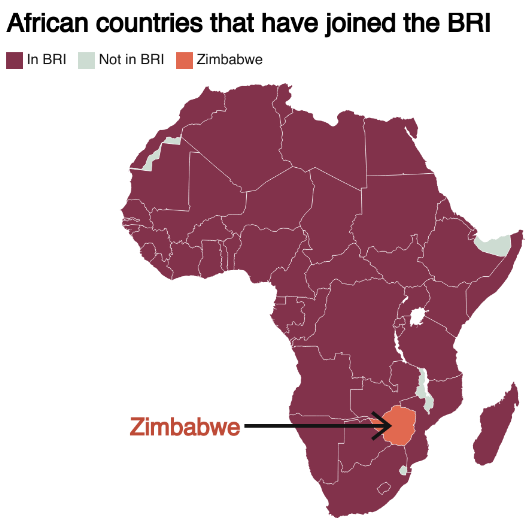
Key concepts: aid, non-concessional loans, and vague flows

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



Key concept: What is concessionality?

Concessionality is a measure of the generosity of a loan or the extent to which it is priced below-market rates. It varies from 0% to 100%, with higher values representing more concessional loans. Non-concessional loans are those provided at or near market rates. The Organisation for Economic Co-operation and Development (OECD) determines which official sector financial flows constitute "aid" based on a grant element threshold for concessionality. Given that China does not report its loans or lending terms to the OECD, some of its official sector financial flows cannot be classified as "aid" or "non-concessional." In this report, such loans are assigned to the "vague" category.



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.[1]

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

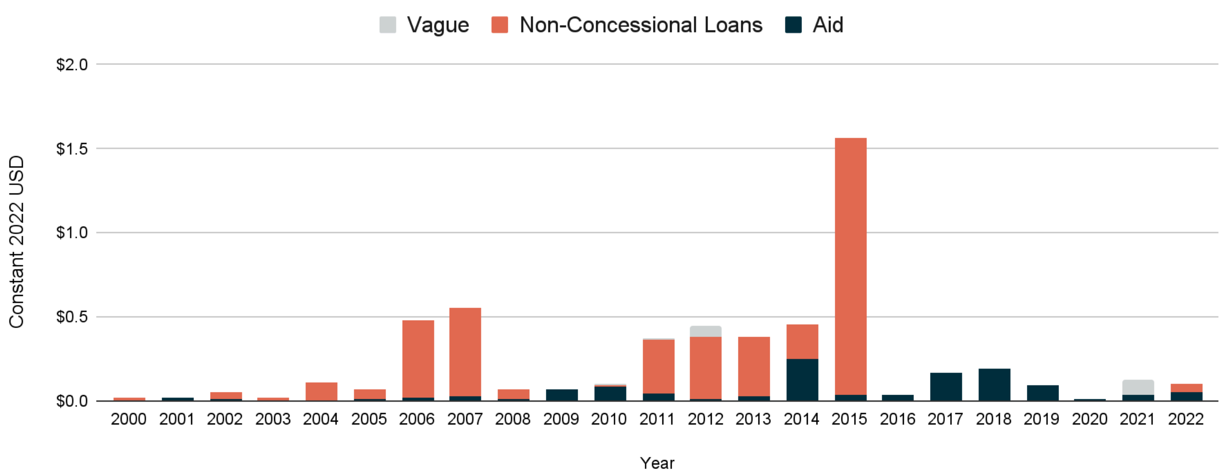
[1]For more information on China's donation of military equipment, see the South China Morning Post's reporting (2023) at: https://www.scmp.com/news/china/diplomacy/article/3245374/china-gives-zimbabwe-military-equipment-worth-us28-million-boost-security-and-modernise-defence.

cooperation," issuing a joint declaration to build a "high-level China-Zimbabwe community with a shared future."[2]

Overview: Chinese development finance in Zimbabwe from 2000-2022

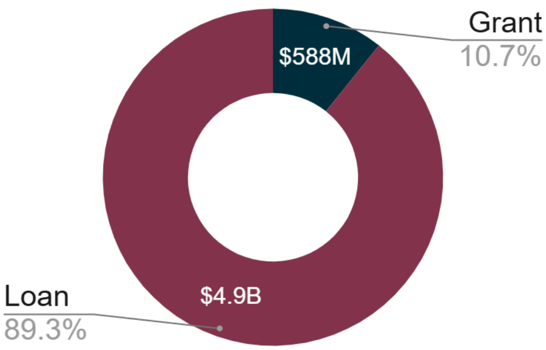
$5.5 billion in loans and grants provided by official sector donors from China.	**89%** of Chinese development finance is provided via loans.	**174** grants, technical assistance, and training activities offered.	**19th** largest recipient of Chinese aid and credit in Africa.	**17%** of China's infrastructure portfolio has significant ESG risk exposure.

Official sector financial commitments from China to Zimbabwe, 2000-2022[3]



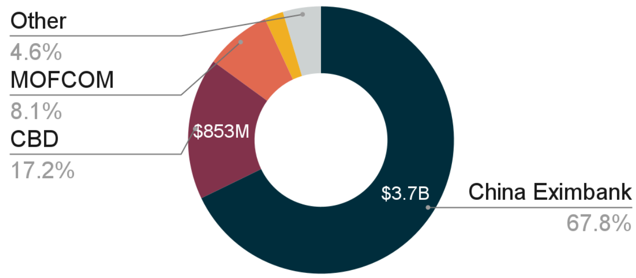
[2]For more information, see the PRC's Ministry of Foreign Affairs at https://www.fmprc.gov.cn/eng/gjhdq_665435/2913_665441/3119_664264/3121_664268/202409/t20240905_11485536.html
[3]For definitions of the categories of *aid*, *non-concessional loans*, and *vague*, please see Key Concepts on page 2 or Appendix B.

Portfolio by type of finance



Loans include concessional and non-concessional loans.

Portfolio by funder



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

Section 1: China's development finance portfolio

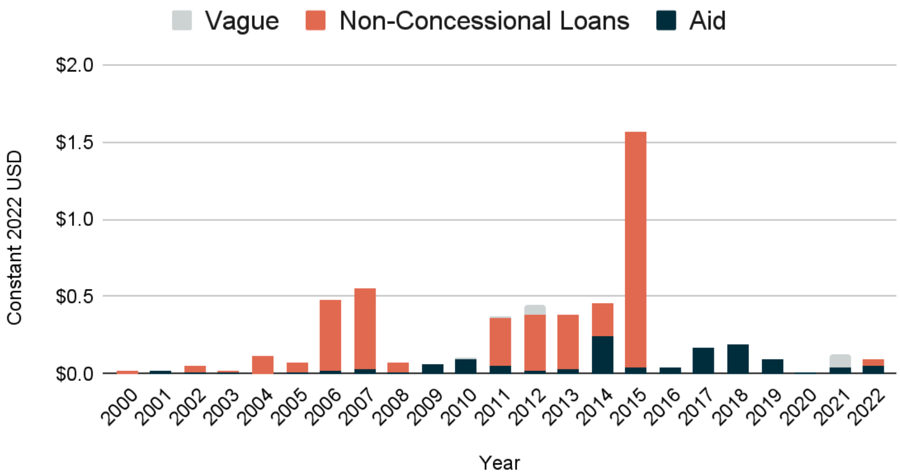
Zimbabwe joined China's BRI in 2018. However, even before the agreement was signed, China had established itself as a major lender to Zimbabwe, with 2015 representing the peak year of Chinese financing to Zimbabwe between 2000 and 2022 (see Figure 1.1). South Africa, United Arab Emirates, and China are 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.

How much development finance has China provided Zimbabwe since 2000?

Between 2000 and 2022, official sector lenders and donors from China provided loan and grant commitments worth $5.5 billion for 225 projects and activities in Zimbabwe. Despite its relatively small economy (GDP: $32.8 billion) and population (16.1 million), Zimbabwe ranks as the 19th largest recipient of Chinese aid and credit in Africa, and 52nd globally among developing countries. 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 $1.6 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 $99 million committed in 2022. The 2022 commitments focused specifically on COVID 19 vaccine donations as well as acquisition lending for the Bikita Lithium Mine.

Figure 1.1: Official sector financial commitments from China to Zimbabwe



Types of funding:[4]

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

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

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

How does China compare to other development partners?

China is Zimbabwe's largest development partner (see Figure 1.2), providing more aid and non-concessional loans than any other bilateral or multilateral donor. The proportion of its portfolio that qualifies as aid is much smaller compared to other bilateral donors though (25%, $1.2 billion), with most of its flows representing export credits (42%, $2.3 billion) and other non-concessional loans (33%, $1.8 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 second among bilateral aid providers—directing its aid to support health, education, and reproductive health in Zimbabwe. Unfortunately Zimbabwe will be greatly affected by recent aid cancellations and scale-downs:

- United States: The U.S. has slashed its foreign assistance budget and drastically downsized its international aid organization, USAID, in February 2025. This will impact aid delivery to Zimbabwe, where the U.S. has provided over $4.4 billion in aid between 2000 and 2022, most heavily directed to HIV/AIDs support as well as humanitarian aid.
- United Kingdom: The UK has announced plans to cut its aid budget to 0.3% of gross national income starting in 2027, likely decreasing aid delivered to Zimbabwe.

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

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

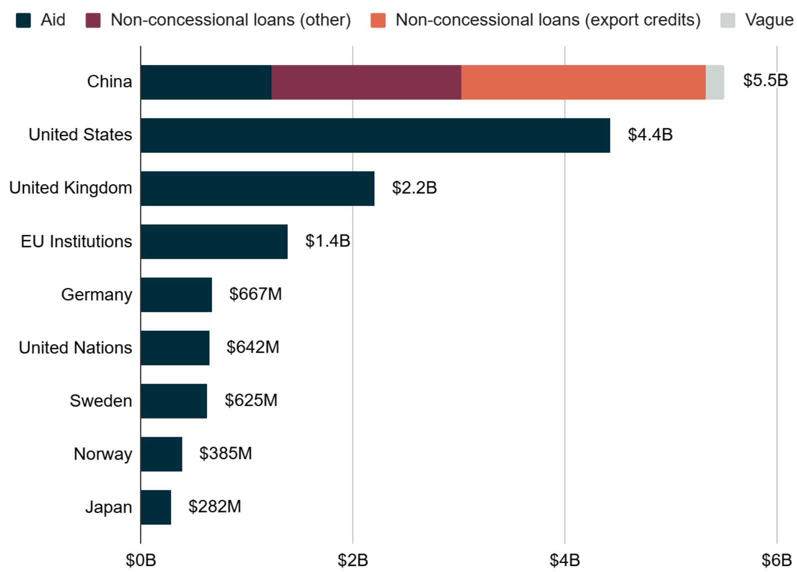


Figure 1.2 contains the top nine development partners providing aid and other financing to Zimbabwe. However, only China has detailed bilateral export credit flows to Zimbabwe. This level of granularity is not available for other development partners as the OECD does not provide export credit data for 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: -$85 million.[5]

Total export credits from DAC member countries (including G7): $52 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.

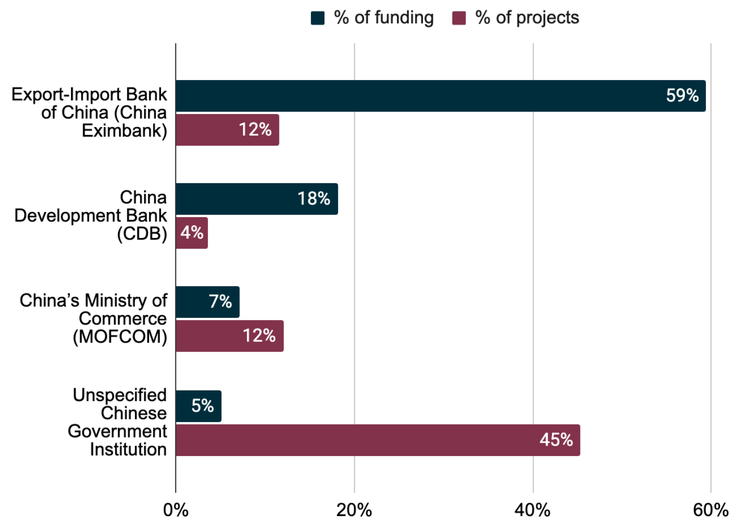
Which donors and lenders from China are active in Zimbabwe?

Between 2000 and 2022, 41 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 19 state-owned donors and lenders in each country.

89% of China's development finance portfolio is provided through three main donors and lenders (see Figure 1.3). The other 11% 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.

[5] 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.

Figure 1.3: Top Chinese donors and lenders



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

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

MOFCOM: government agency providing grants and zero-interest loans.

Unspecified Chinese Government Institution: a blanket category for when the specific funder is unknown, but it is clear the funder is part of the Chinese government or official sector institution.

The top two funding agencies are state-owned policy banks. The Export-Import Bank of China issued 26 loans worth $3.3 billion for projects and activities. These loans accounted for 59% of total official sector financial flows from China to Zimbabwe between 2000 and 2022 and included projects such as the Gwayi integrated Coal Mine and Thermal Power Station project and the 600MW Hwange Makomo Power Station Expansion project. China Eximbank last committed funds to Zimbabwe in 2019.

China Development Bank (CDB) issued 8 loans worth $997 million, representing 18% of total official sector financial flows. However, CDB has not made any new loan commitments to Zimbabwe since 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 has primarily supported telecommunications and mining projects, including financing for the acquisition of iron ore mining and smelting assets through Zimasco.

China's Ministry of Commerce (MOFCOM) provided 27 grants and interest-free loans worth almost $390 million—or 7% of total official sector financial flows from China to Zimbabwe from 2000 to 2022. MOFCOM last committed a grant to Zimbabwe in 2018. MOFCOM's financing in Zimbabwe is dominated by grants (94%), and focused on food assistance and a variety of infrastructure projects such as a new parliamentary building, school buildings, and health facilities.

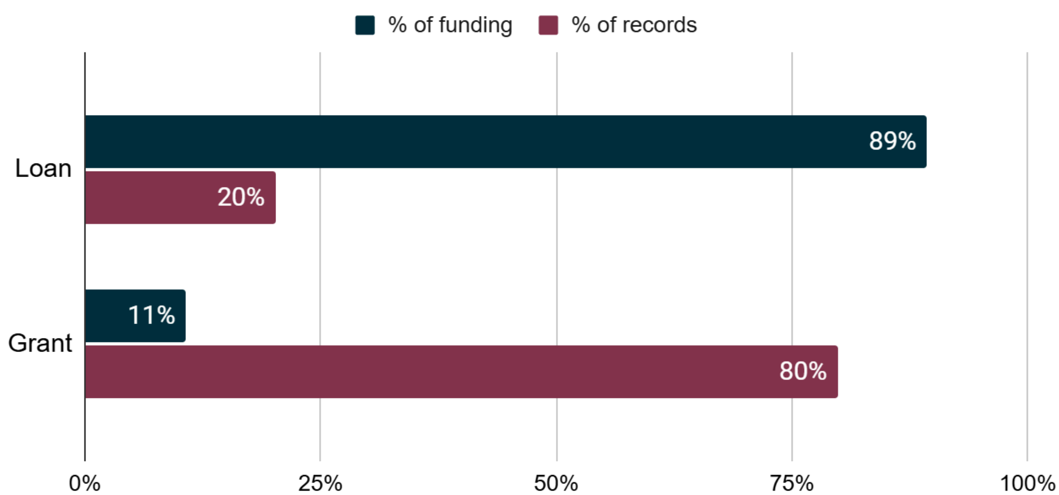
45% of all activities in Zimbabwe come from unspecified Chinese government agencies. This is a blanket category for when the specific funder is unknown, but the funder is clearly part of the Chinese government or official sector institution. Many of the activities funded by these institutions represent COVID-19 aid and donations directed towards educational institutions. For example, an unspecified Chinese government agency donated 3 million Sinopharm COVID-19 vaccine doses to Zimbabwe in 2022.

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

89% of China's official sector financing to Zimbabwe takes the form of loans (totaling $4.9 billion), while 11% (588 million) comes in the form of grants and in-kind donations. In-kind donations are difficult to monetize, so the monetary values of these activities are likely underrepresented.

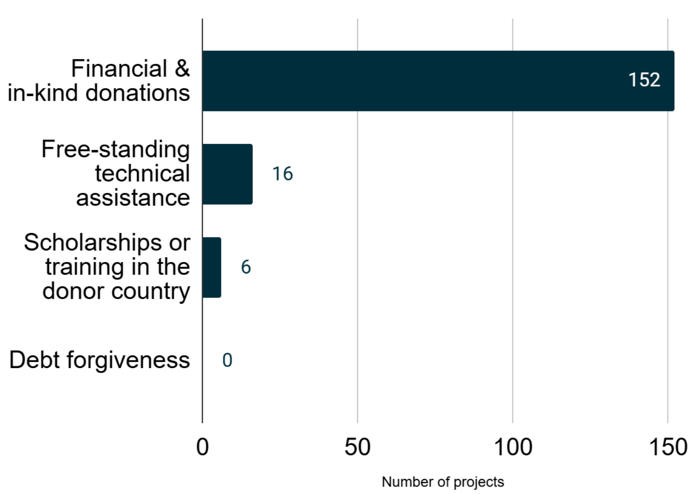
AidData captures each instance of a grant or in-kind donation as one record, so analyzing the record counts provides a better picture of China's activities in Zimbabwe. In terms of record counts, grants account for 80% of all activity records in Zimbabwe (representing 174 records capturing activities taking place between 2000 and 2022), while loans only 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 or grants.

Figure 1.5: Breakdown of grants by project count

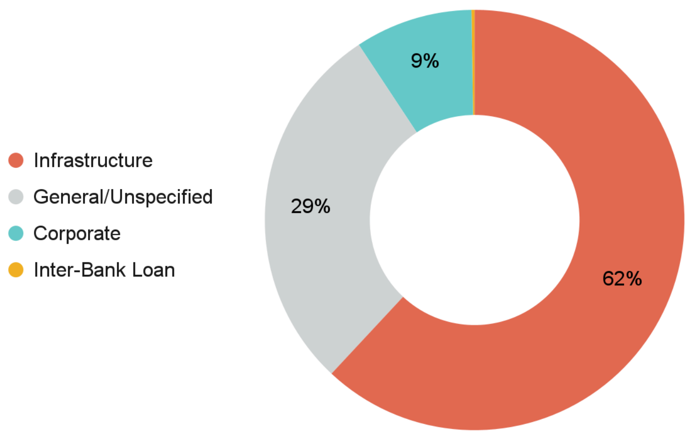


China provided 174 grants between 2000 and 2022, with 152 being financial and in-kind donations. Donations included anti-epidemic and medical supplies as well as school equipment. New grants in 2022 covered COVID-19 aid, supplies for children, and Chinese scholarships.

There were 16 instances of free-standing technical assistance with China dispatching medical and agricultural experts to Zimbabwe.

In six instances, China provided scholarships and training to Zimbabweans, with most receiving a scholarship to study in China.

Figure 1.6: Breakdown of lending by purpose



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

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

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

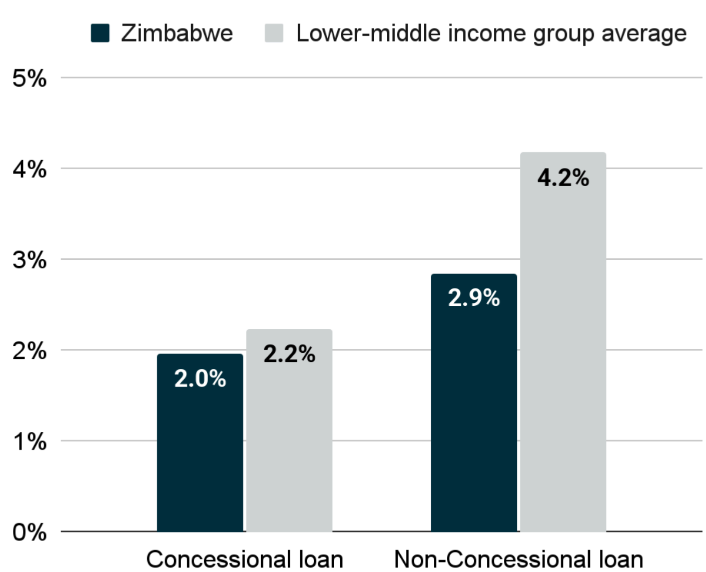
Inter-Bank Loans: loans from a Chinese bank to a recipient country bank that can support on-lending or other bank needs.

62% of China's $4.9 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 company or a Chinese private sector company.

29% of China's loan commitments in Zimbabwe support corporate activities. These include loans for mergers and acquisitions in the mining sector and supplier's credits for mining equipment, agricultural equipment, and aircrafts. Supplier's credit loans involve a Chinese state-owned company providing a loan to a buyer to facilitate the purchase of its products.

9% of Chinese lending commitments fall under the "general or unspecified" category, representing export credits for equipment purchases. Zimbabwe received no emergency rescue loans from China between 2000 and 2022.

Figure 1.7: Borrowing terms



Between 2000 and 2022, China's concessional lending (which is considered to be aid) to Zimbabwe carried a weighted average interest rate of 1.96% and a weighted average maturity of 20 years. By comparison, China's non-concessional lending to Zimbabwe carried a weighted average interest rate of 2.85% and a weighted average maturity of 15 years.

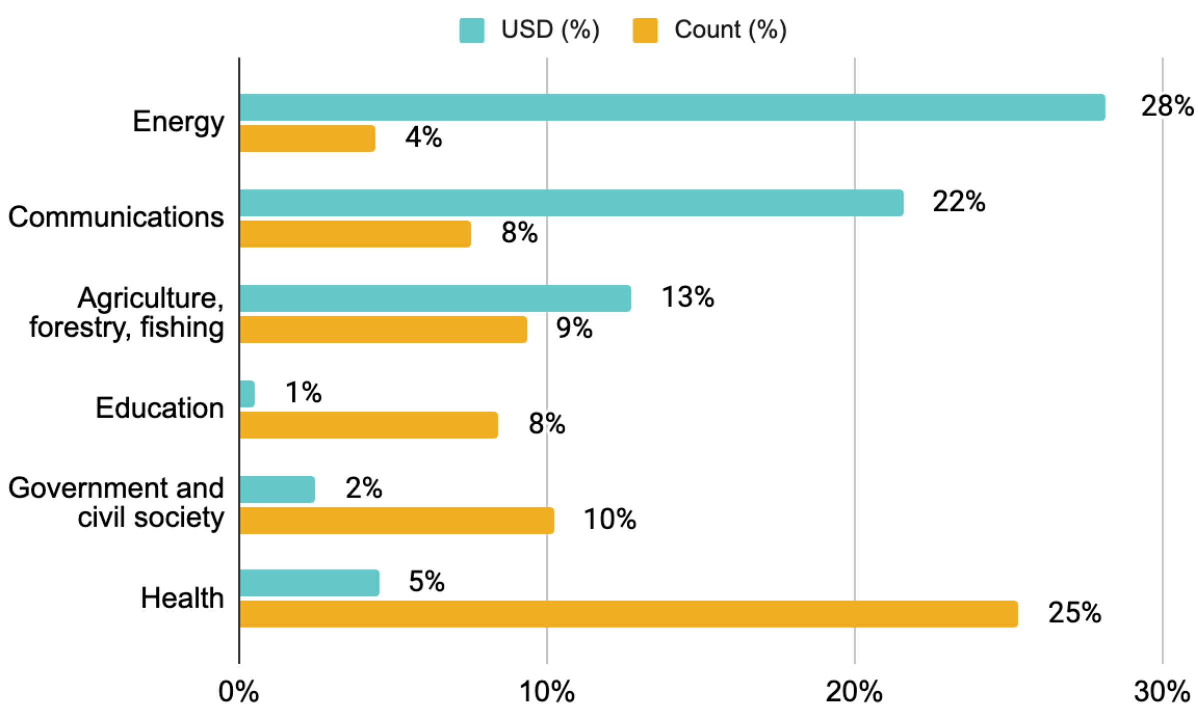
These borrowing terms, especially for non-concessional loans, are more generous than those found in China's broader portfolio of official sector loans to lower-middle income countries.

In which sectors is China most active?

Top sectors for China's aid and credit in 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, 63% of China's grant and loan commitments to Zimbabwe supported three core sectors: transportation, energy, communications, and agriculture, forestry, and fishing between 2000 and 2022.

- ➔ 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 a $1.4 billion loan from China Eximbank for the Gwayi Integrated Coal Mine and Thermal Power Station (committed in 2013). 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 $1.2 billion in funding (or 22% of China's development finance portfolio. Activities in the communications sector include a $164 million loan each from China Development Bank and ZTE Corporation to Econet Wireless Zimbabwe for new base stations across Zimbabwe for mobile phone operations in 2015, and a $238 million loan from China Eximbank to the government of Zimbabwe for the NetOne project for network expansion in 2014.

➔ Agriculture, forestry, fishing: This sector consists of the development and management of crops, livestock, fisheries, and other resources as well as associated research and education activities. 13% of China's development finance portfolio in Zimbabwe is dedicated to this sector, representing $702 million in aid and non-concessional loans. Noteworthy activities in this sector include a $396 million buyer's credit provided by China Eximbank for the supply of agricultural products like fertilizers, pesticides, and irrigation equipment in 2006. No new commitments have been made since 2019 in this sector, when the Ministry of Agriculture and Rural Affairs of China donated further agricultural equipment—including a tractor, incubators and milking equipment—worth $149,139 to 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 $29 million in funding and 8% of China's total record count, with 19 activities recorded. Common activities in the education sector in Zimbabwe include donations by the Chinese government and Chinese embassy to construct new schools and establish Confucius Institutes. In 2022, the Chinese Embassy in Zimbabwe awarded scholarships to 40 Chinese language learners at the University of Zimbabwe.

➔ Government and Civil Society: This sector encompasses activities that address public procurement, subnational government support, elections, democratic participation, and human rights. This sector represents a total of 23 records (or 10% of the total record count). China's activities in this sector include donations from the Chinese government for computer equipment to Zimbabwe's Ministry of Foreign Affairs and its National Parliament. No new commitments were made in the government and civil society sector in 2022.

➔ Health: This sector includes medical care, infrastructure, equipment, and control activities. In total, activities in the health sector are largest by record count, representing 57 records in China's portfolio in Zimbabwe (or 25% of records). Notable activities include Chinese government donations of medical and anti-epidemic material between 2020 and 2021, as well as the dispatchment of medical teams to Zimbabwe. During the COVID-19 pandemic, Zimbabwe was the 13th largest recipient of COVID-19 aid by China. In total, COVID-19 aid encompassed nearly $96 million, with over 5 million doses of Sinovac and Sinopharm vaccines donated. This includes 3 million Sinopharm vaccine doses donated in 2022.

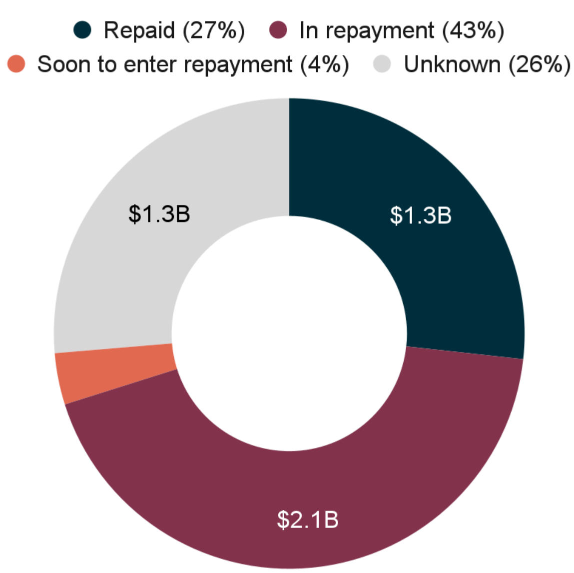
Section 2: Zimbabwe's debts to China

44	$4.9 billion	54%	78%
loans issued	cumulative value of loan commitments (14.9% of GDP)	of total debt shows signs of financial distress	public debt

What is "public debt"?		
Public debt Loans issued directly to public institutions, loans that have sovereign repayment guarantees, or loans extended to special purpose vehicles or joint ventures that are majority-owned by one or more public sector institutions.[6]	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 Zimbabwe'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 Zimbabwe's debt exposure to China.

Figure 2.1: Repayment status for all loans from China



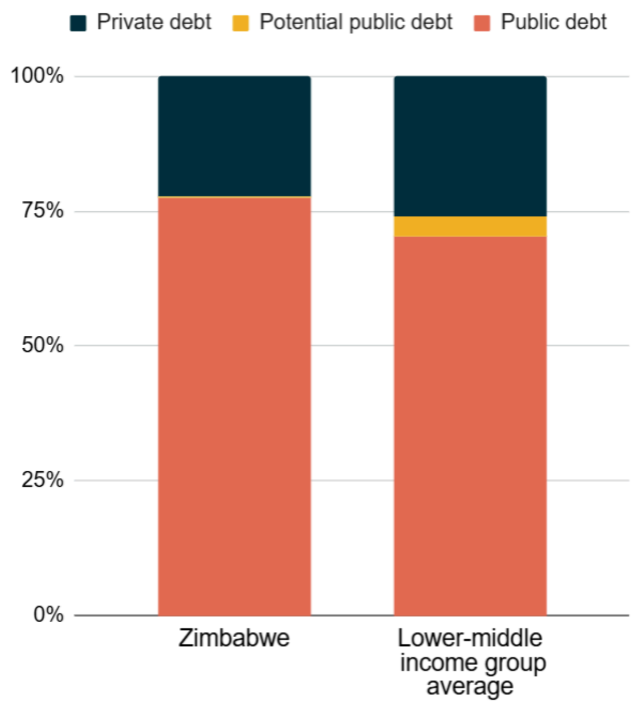
There are currently 26 loans for which AidData has access to repayment details. 9 of those loans (worth $2.1 billion) are currently in their repayment periods. 15 loans (worth $1.3 billion) have exited their repayment periods—meaning they should have been fully repaid based on their original maturity dates outlined at the time of signing. The remaining two loans (worth $174 million) will enter repayment in 2025 (for projects related to an airport and a computing center).

However, the amount in repayment may be higher since there are 16 loans (worth $1.3 billion) for which AidData has insufficient repayment details.

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

Figure 2.2: Composition of debt from China by public liability

Total debt, 2000-2022—Zimbabwe: $4.9 billion. Lower-middle income group average: $5.1 billion.



The composition of Zimbabwe's debt by level of public liability is largely in line with the average across China's development finance portfolio. Out of Zimbabwe's $4.9 billion in loans, 77% of them account for public debt, compared to the lower-middle income group average of 70%. $10 million (or 0.2%) 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 (0.2%) is lower than the average for other lower-middle income group countries (4%).

To date, 54% of China's cumulative loan commitments to Zimbabwe, representing mostly public debt, are in financial distress. AidData's GCDF dataset systematically identifies all official sector loans from China that showed signs of financial distress between 2000 and 2022. Zimbabwe's level of financial distress, based on information documented at the loan level, is higher than the global average (22% in 2021) across other developing countries.

The World Bank and IMF also classify the Government of Zimbabwe as actively in debt distress: it has accumulated significant arrears owed to both bilateral and multilateral donors.[7] Zimbabwe's financial distress on Chinese loans (based on available evidence) 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. In Zimbabwe between 2000 and 2022, 69% of Zimbabwe's overall lending portfolio was backed by credit enhancement such as collateral, credit insurance, or third-party guarantees—compared to 66% of the global lending portfolio. Collateralization was the most common type of credit enhancement used in Zimbabwe, with 53% ($2.6 billion) of Chinese lending to the country benefiting from collateralization.[8] This is in line with China's portfolio

[7]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

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

across all developing countries, where 47% of all lending was collateralized between 2000 and 2022.

Collateralization in Zimbabwe started as early as 2003 for large-scale infrastructure projects. The most recent loan to include a credit enhancement in Zimbabwe was a 2018 $168 million China Eximbank loan for the Robert Gabriel Mugabe International Airport Expansion Project, which was secured by a cash deposit account. Despite the collateralized structure of the loan, it still fell into arrears and has been plagued with controversy. In 2019, the Reserve Bank of Zimbabwe diverted $10 million from the project's escrow account (the form of collateral used for the project loan). China Eximbank then halted disbursements for the project, stating that it would not release additional funds until the $10 million withdrawal was returned. This condition was eventually met and project implementation continued in 2020. The airport was officially inaugurated in July 2023.

Despite Zimbabwe's financial distress, the country is not eligible for the debt-suspension service initiative (DSSI). However, China still wrote off a small amount of interest-free debt from Zimbabwe that matures by 2025.

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

Chinese infrastructure in Zimbabwe with ESG risk exposure:

9 infrastructure projects supported by grants and loans from China	**$565 million** in loan commitments supporting infrastructure projects	**17%** of infrastructure lending with ESG risk exposure

Examples of global ESG risks

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

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

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

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

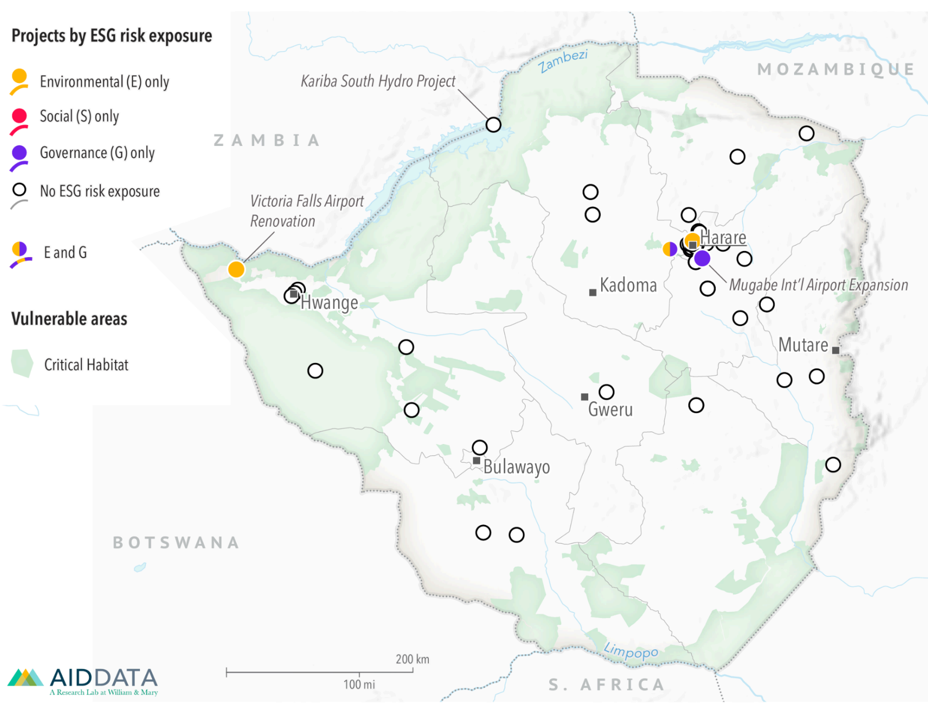


Figure 3.1 presents the geographic locations of all Chinese-financed infrastructure projects in Zimbabwe according to their environmental, social, or governance risk exposure. Most projects in Zimbabwe's capital, Harare, face some level of ESG risk exposure, particularly governance or environmental risk. However, even outside of Zimbabwe's capital region infrastructure projects have faced ESG risk exposure, such as the Victoria Falls airport renovation.

In the *Belt and Road Reboot* report, AidData developed a set of metrics that identify the environmental, social, and governance (ESG) risk exposure of Chinese-financed infrastructure projects overseas, as well as the steps it has taken to build safeguards into its programs to combat these risks (see Appendix B for details on the ESG risk exposure methodology).[9]

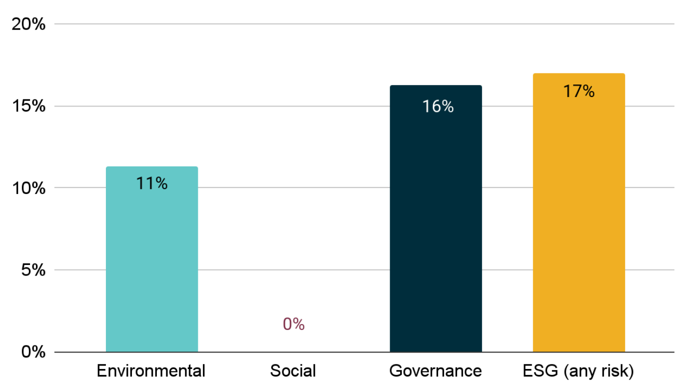
[9]For more information, see AidData's 2023 "Belt and Road Reboot: Beijing's Bid to De-Risk Its Global Infrastructure Initiative" report. https://www.aiddata.org/publications/belt-and-road-reboot.

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

In China's broader grant- and loan-financed infrastructure project portfolio in the developing world, the cumulative percentage of financing with significant ESG risk exposure increased from 12% to 54% over the same 22-year period—showing China's signature infrastructure initiative is facing major implementation challenges. With additional data collected for 2022, nearly 17% of China's grant- and loan-financed infrastructure project portfolio in Zimbabwe has significant ESG risk exposure.

This part of the portfolio consists of infrastructure projects supported by Chinese grant and loan commitments worth $565 million (see Figure 3.2). Exposure to governance risk is dominant among these projects, with no social risk recorded in Zimbabwe yet. Examples of governance and environmental risks in Zimbabwe's infrastructure projects include the diversion and misappropriation of funds from the Rehabilitation of Municipal Water and Sewage Treatment project as well as environmental disruption at local farmlands as a consequence of Dinson Iron and Steel Company's (DISCO) steel production.[10] Many of these projects are exposed to both governance and environmental risk (see Figure 3.2).

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



ESG issues observed in Zimbabwe

Environmental: disruption of local farmlands and pastures (e.g. Dinson Iron and Steel Company's (DISCO) steel production).

Social: no social risk (in monetary reported in Zimbabwe from 2000-2022.

Governance: misappropriation and diversion of funds (e.g. Rehabilitation of Municipal Water and Sewage Treatment project).

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

Zimbabwe: 17% (2022). Lower-middle income group average: 45% (2022)

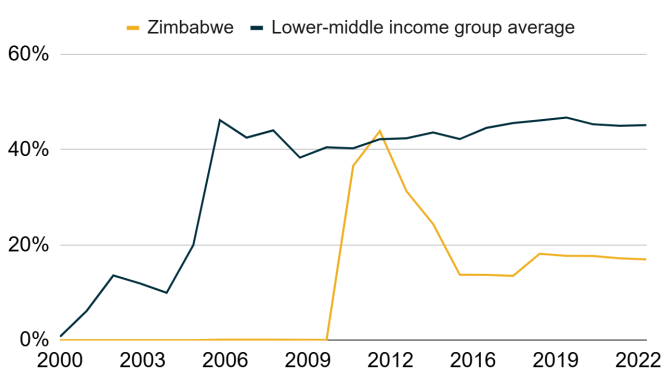


Figure 3.3 shows the increase in the cumulative proportion of ESG risk exposure over time compared to lower-middle income countries. Zimbabwe's ESG risk exposure for its Chinese financed infrastructure portfolio is significantly below the average risk exposure over time, although risk was at a high in 2012 due to projects like the Matabeleland Zambezi Water Pipeline. Since 2018, there have been no new projects with significant ESG risk exposure.

[10] For more information about DISCO, see Voice of America (2024) at https://www.voanews.com/a/chinese-steel-plant-zimbabwe-s-economic-boon-or-environmental-nightmare-/7845150.html.

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

Percent of infrastructure portfolio with strong ESG safeguards	What are ESG safeguards?
1.3% 2000-2022	ESG safeguards are formal provisions written into financing contracts (grant or loan) to mitigate environmental, social, and governance risks during an infrastructure project's implementation and operation.

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

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

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

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

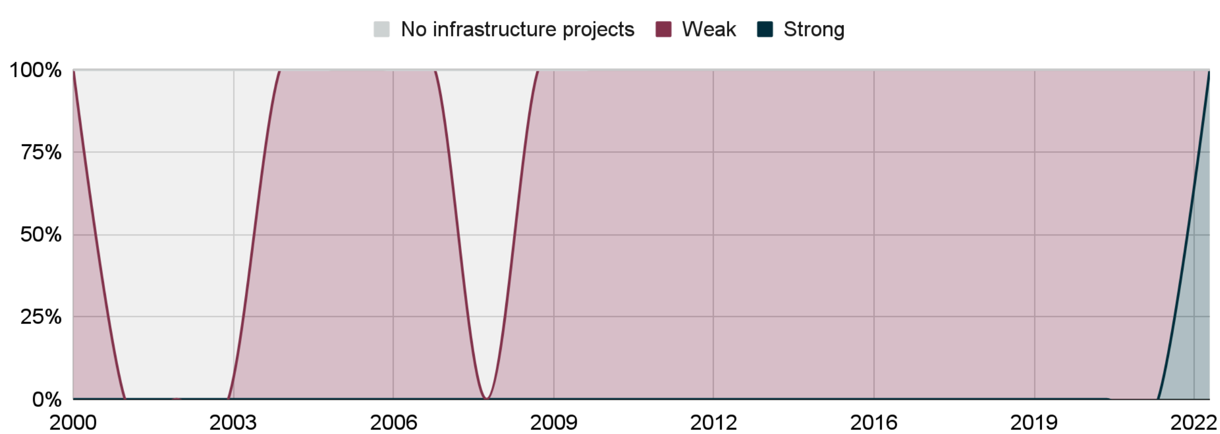
Has China increased ESG safeguard stringency in its infrastructure portfolio in Zimbabwe over time?

Between 2000 and 2022, 23% of China's grant- and loan-financed infrastructure project portfolio had strong contractual ESG safeguards in place across all developing countries. China's infrastructure project portfolio in Zimbabwe is not consistent with this broader global trend, as all of China's grant- and loan-financed infrastructure project portfolio in Zimbabwe had weak contractual ESG safeguards in place between 2000 and 2021 (totaling 1.3% overall).[11] However in 2022, all infrastructure projects in Zimbabwe had strong ESG safeguards, reflecting a loan committed the same year by a Chinese state-owned commercial bank (China CITIC Bank). Chinese state-owned commercial banks are more likely to incorporate stronger ESG safeguards into their infrastructure financing agreements.

During the late BRI period (2018 to 2022), Beijing increasingly turned to syndicated loan arrangements, often involving Western financiers or China's state-owned commercial banks, to deliver new infrastructure funding. These agreements typically carried stronger contractual ESG safeguards. Zimbabwe, however, stood apart: between 2016 and 2021, financing came mainly in the form of small grants and policy bank loans from China Eximbank and MOFCOM, instruments that generally featured weak safeguards. This pattern reflected the country's political and economic turbulence, marked by nationwide protests in 2016 and the 2017 coup. A shift emerged only in 2022, when China Citic Bank International joined a $45 million syndicated loan to finance Sinomine Resource Group's acquisition of the Bikita lithium mine. This belated entry into syndicated lending may signal that Zimbabwe is beginning to fall in line with broader global trends toward stronger ESG protections.

Figure 4.1: Infrastructure project portfolio with strong contractual ESG safeguards[12]

Percent of infrastructure project portfolio committed each year



[11]During the same 22-year period, 23% of China's grant- and loan-financed infrastructure project portfolio across all low- and middle-income countries had strong de jure (contractual) environmental, social, and governance safeguards in place.
[12]This graph shows all years of Chinese funding regardless of if there was an infrastructure project in that year. Those years are represented by the gray or "no infrastructure projects" area.

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

According to polling provided by Gallup, Zimbabweans held an average approval rate of China of 62.3% between 2006 and 2022 (with the exception of 2007, where no data was captured).[13] This approval rate of Zimbabweans toward China falls in line with the global average trend of 60.1% over the same time period. Approval was lowest in 2011, at 51.6% during the COVID-19 pandemic, and highest in 2017, at 70.8%. In 2022, approval was at 54.4%, highlighting a recent decline in favorable opinion.

Figure A.1: Zimbabwe's approval of Chinese leadership, 2006-2022[14]

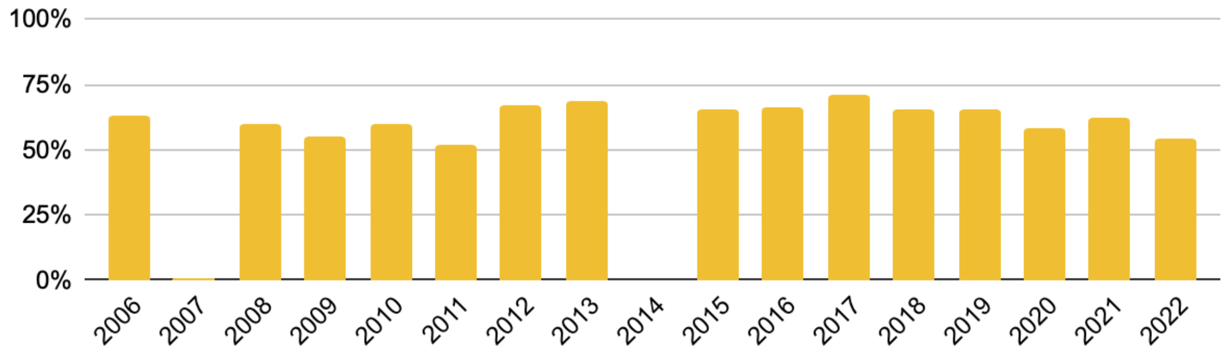


Figure A.2: Bilateral diplomatic visits between China and Zimbabwe

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 Musiiwa 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.

[13]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

[14]The data for the graph and approval rate is based upon Gallup's Rating World Leaders' report and dataset.

Appendix B: Methodology & definitions

Capturing Chinese development finance methodology:

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

Definitions of finance types:

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

Definitions of instrument types:

- Grant: The donation of money or an in-kind donation of goods from an official sector institution in China (e.g. donations of supplies or equipment, humanitarian aid or disaster relief, or financing for the construction of a government building, school, hospital, or sports stadium).
- Free-standing technical assistance: Skills training, instruction, consulting services, and information sharing by official sector entities and experts from China. Training provided by Chinese entities outside of China is classified as technical assistance.
- Scholarships/training in the donor country: Funding from an official sector institution in China that allows a citizen from the host country to study at a Chinese university or other educational institution. This includes training programs and activities that are sponsored by an official sector institution in China and held for host country citizens in China.
- Debt forgiveness: The total or partial cancellation of debt owed by a borrowing institution in the host country to a Chinese government or state-owned entity.

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

ESG risk exposure methodology:

AidData’s ESG risk exposure metric is a composite, project-level score based on five criteria. First, AidData identifies whether a given infrastructure project is located in an environmentally sensitive area. Second, AidData analyzes whether the project is located in a socially sensitive area—specifically, in an area where Indigenous populations are often denied free, prior, and informed consent (FPIC). AidData assesses whether the project is located in a geographical area that is vulnerable to political capture and manipulation by governing elites in host countries. Fourth, AidData evaluates if the Chinese lender/donor relied on a contractor sanctioned for fraudulent and corrupt behavior to implement the project. Fifth, AidData identifies whether a significant environmental, social, or governance challenge arose before, during, or after the implementation of the project. 2022 data on ESG risk exposure at the global level is currently only available through 2021.

Common ESG Risks in Infrastructure Projects:

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

ESG safeguard methodology:

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

We thank Julie Sickell for her thoughtful review of this profile and data quality assurance; Sheng Zhang for providing data analysis support; John Custer for supporting the formatting and data visualization design; Sasha Trubetskoy for providing cartographic support; and Pavan Raghavendra R.M.V. for the final copy-edit of this profile.

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

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

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

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