IHC SECTOR INTELLIGENCE

ZIMBABWE INVESTMENT TREATY NETWORK

A Comprehensive Guide

EXECUTIVE SUMMARY

Zimbabwe has a multilayered investment treaty network spanning bilateral agreements, regional protocols & multilateral conventions. As of now, Zimbabwe has Bilateral Investment Treaties (BITs) currently active, others signed awaiting ratification & others terminated. Zimbabwe is also party to multilateral investment & trade frameworks.

Understanding this treaty network is a material due diligence variable. It determines legal protections available, dispute resolution mechanisms accessible & the regulatory environment investors can expect. It is also directly affected by Zimbabwe's domestic investment legislation. Of note is the Zimbabwe Investment & Development Agency (ZIDA) Act of 2020. This Act imposes ZIDA registration as a precondition for investors to invoke BIT protections in arbitration.

This guide provides a comprehensive mapping of Zimbabwe's investment treaty network. It unpacks investor protections embedded in each category. It identifies gaps & risks in the current framework. It also outlines the practical implications for cross-border investment structuring.

GLOSSARY OF KEY TERMS

BIT	Bilateral Investment Treaty
ISDS	Investor-State Dispute Settlement
FET	Fair & Equitable Treatment
FPS	Full Protection & Security
ICSID	International Centre for Settlement of Investment Disputes
UNCITRAL	United Nations Commission on International Trade Law
MFN	Most Favoured Nation
ZIDA	Zimbabwe Investment & Development Agency
AfCFTA	African Continental Free Trade Area
SADC FIP	SADC Finance & Investment Protocol
MIGA	Multilateral Investment Guarantee Agency
SPV	Special Purpose Vehicle
PRI	Political Risk Insurance

UNDERSTANDING INVESTMENT TREATIES

Bilateral Investment Treaties (BITs)

A Bilateral Investment Treaty is a legally binding agreement between two sovereign states. That agreement establishes reciprocal rights & obligations governing investments made by nationals or companies of one state in the territory of the other. BITs serve 4 core investor protection functions as follows:

- Protection against unlawful expropriation or nationalization without compensation
- Guarantee of fair & equitable treatment (FET) & full protection & security (FPS)
- Freedom to repatriate investment returns, dividends & capital proceeds
- Access to neutral international dispute resolution forums outside domestic courts

Regional & Multilateral Investment Frameworks

These sit above bilateral agreements. These include regional economic community (REC) protocols e.g. the SADC Finance & Investment Protocol & the COMESA Common Investment Agreement. There are also continental frameworks such as the AfCFTA Investment Protocol. Multilateral conventions such as the ICSID Convention & the New York Convention create the procedural structure via which arbitration awards are recognized & enforced globally.

The ZIDA Act Registration Requirement

Section 38 of the ZIDA Act (2020) establishes a key gateway for BIT protection. Foreign investors wishing to invoke protections under any BIT must register their investment with ZIDA. Registration is required within 90 days of establishment. Failure to register within the prescribed timeline constitutes a statutory waiver of BIT protection.

The ZIDA registration is not just a procedural formality. An investor entering Zimbabwe who fails to register with ZIDA loses the right to invoke international arbitration under the BIT. Their only recourse becomes domestic courts or domestic arbitration which may be materially weaker. It is highly advisable for foreign investors to prioritize ZIDA registration.

BILATERAL INVESTMENT TREATIES CURRENTLY ACTIVE

The following are the BITs currently active. Thus, they provide enforceable legal protections for investors from these jurisdictions investing in Zimbabwe. They are all accessible for ISDS arbitration subject to ZIDA registration compliance.

Country	Signed	Effective	Region	Investor Relevance
Germany	29/09/1995	14/04/2000	Europe	Gateway for European midmarket mining & agro capital
China	21/05/1996	01/03/1998	Asia	Primary source of infrastructure, mining & manufacturing FDI
Switzerland	15/08/1996	09/02/2001	Europe	Arbitration precedent (Von Pezold case); neutral finance hub
Denmark	25/10/1996	07/02/1999	Europe	Nordic institutional & ESG capital access
Netherlands	11/12/1996	01/05/1998	Europe	European structure routing (highly used)
Czech Republic	13/09/1999	01/11/2021	Europe	CEE industrial investors
Iran	09/05/1999	26/01/2015	Middle East	Limited practical activation due to international sanctions
Kuwait	07/03/2000	22/11/2008	Middle East	Gulf sovereign & private capital; active in infrastructure
South Africa	27/11/2009	15/09/2010	Africa	Dominant source of regional corporate FDI & JV capital
Republic of Korea	24/05/2010	07/04/2021	Asia	Manufacturing & tech FDI
Russian Federation	07/10/2012	10/09/2014	Europe/Eurasia	Geopolitically constrained post-2022 but treaty remains valid
UAE	16/06/2018	07/02/2021	Middle East	Sovereign wealth & family office capital

Not all BITs are operationally equal. The most high-value BIT partners to Zimbabwe are Germany, China, South Africa, UAE & Republic of Korea (in no particular order).

GERMANY

- Particularly relevant for agriculture, logistics & manufacturing deals

CHINA

- Particularly relevant for mining, construction & infrastructure. Key to note that state-linked investors often negotiate bilateral investment agreements directly with government.

SOUTH AFRICA

- Particularly relevant for cross-border JV structures & property-backed investments.

UAE

- Particularly relevant for hospitality, real estate & minerals sectors. As it is, this BIT is strategically underexploited yet laden with huge prospects.

REPUBLIC OF KOREA

- South Korean industrial & manufacturing investors are increasingly interested in Zimbabwe's lithium & cobalt assets. It also includes investors in the battery metals & EV supply chain.

BITs SIGNED BUT NOT YET ACTIVE

Country	Signed	Region	Commentary
Mozambique	12/09/1990	Africa	• Longstanding economic partner; treaty dormant since 1990
Malaysia	28/04/1994	Asia	• Active investor interest; treaty gap limits protections
Portugal	05/05/1994	Europe	• Historical ties; trade volume limited post-independence
United Kingdom	01/03/1995	Europe	• UK's exit from EU complicates matters; ESA-UK EPA partially fills gap
Serbia	19/09/1996	Europe	• Limited bilateral economic flows; treaty commercially immaterial
Sweden	06/10/1997	Europe	• Nordic ESG capital; treaty gap is a deterrent to institutional SWF mandates
Egypt	02/06/1999	Africa/Middle East	• COMESA overlap; BIT ratification would unlock additional protections
Indonesia	10/02/1999	Asia	• Growing bilateral; treaty activation would benefit agro & mining sectors
Italy	16/04/1999	Europe	• Active in infrastructure; treaty gap noted by European investors
Jamaica	10/02/1999	Americas	• Minimal bilateral commercial flows
Austria	10/11/2000	Europe	• Vienna-based family offices show interest; treaty gap is a friction point
Croatia	18/02/2000	Europe	• Minimal practical relevance; EU membership provides alternative frameworks
France	04/05/2001	Europe	• French development finance (AFD, Proparco) increasingly active; BIT gap is material
Mauritius	17/05/2000	Africa	• Routing jurisdiction of choice; treaty activation would close a structuring gap
Singapore	01/09/2000	Asia	• Major routing & holding jurisdiction; absence of active BIT is a gap
Thailand	18/02/2000	Asia	• South-East Asia pivot; bilateral flows developing
Ghana	30/06/2003	Africa	• Pan-African investor linkage; treaty activation under AfCFTA would complement
Malawi	04/07/2003	Africa	• Corridor investment & cross-border infrastructure focus
Tanzania	03/07/2003	Africa	• SADC corridor; treaty gap is not material given SADC Protocol overlap
Uganda	01/07/2003	Africa	• East Africa bridge; treaty dormant since 2003
Botswana	21/03/2011	Africa	• This is a gap for SADC's largest per-capita economy
Belarus	31/01/2023	Europe/Eurasia	• Geopolitically constrained

PRIORITY RATIFICATION GAPS

The following unratified BITs represent the most commercially significant gaps in Zimbabwe's Investment Treaty Network:

Country	Important To Note
United Kingdom	🟡 The ESA-UK EPA does provide some trade coverage. Worth noting is that UK is Zimbabwe's largest source of diaspora remittance & a significant pool of private equity and family office capital. Post-Brexit renegotiation is way overdue.
France	🟡 AFD & Proparco are increasingly active in Sub-Saharan Africa (Zimbabwe included). The absence of an active BIT limits confidence for French institutional capital. French commercial investors tend to highlight this gap in due diligence conversations.
Singapore	🟡 Singapore is one of the most notable investment routing & holding jurisdictions globally. Many Asian & Middle Eastern investors structure African investments through Singapore special purpose vehicles (SPVs). An active BIT would enhance deal-structuring.
Mauritius	🟡 This is the dominant routing jurisdiction for Africa-bound foreign investment. This even includes much of the Chinese & Indian FDI flowing into Africa. The absence of an active BIT increases structuring complexity & reduces investor confidence.
Botswana	🟡 Zimbabwe & Botswana share one of the most commercially active bilateral corridors. This includes Victoria Falls tourism, livestock trade & emerging mining co-investment. A ratified BIT would increase prospects.

TERMINATED TREATIES

The India BIT was terminated by India on 22 March 2017. This was due to India's policy to withdraw from its first-generation BIT programme. In total, India terminated over 58 BITs due to that policy shift. This means Indian investors in Zimbabwe currently lack BIT protections.

- Indian corporate capital is now increasingly active in Zimbabwe across pharmaceuticals, FMCG distribution & light manufacturing.

REGIONAL & MULTILATERAL INVESTMENT FRAMEWORKS

Zimbabwe also participates in regional & multilateral investment frameworks. Such frameworks set common investment standards, provide dispute resolution mechanisms & create a market for integration frameworks. These ultimately shape the investment environment in which bilateral deals are made.

Framework	Status	Investment Relevance For Zimbabwe
AfCFTA (2018)	Active	• Operational since May 2019; Zimbabwe is classified G6 with a 15-year phase-out
AfCFTA Investment Protocol (2023)	Signed, Not Active	• Yet to reach ratification threshold
SADC Finance & Investment Protocol	Active	• Binding protections; no ISDS for private parties
COMESA Investment Agreement (2007)	Signed, Not Active	• Provides ICIA framework; not yet binding
COMESA-US TIFA (2001)	Active	• Trade & Investment Agreement; no ISDS
ESA-UK EPA (2019)	Active	• Zimbabwe is included via COMESA/ESA
ACP-EU Samoa Agreement (2023)	Signed, Not Active	• Successor to Cotonou; not yet ratified
ICSID Convention (1965)	Member	• Enforced via Arbitration Act Cap 7:03
New York Convention (1958)	Member	• Recognition & enforcement of foreign arbitral awards
MIGA Convention (1985)	Member	• Political risk insurance via World Bank

🟡 The AfCFTA Investment Protocol once ratified will be the most consequential investment framework in Africa. It will deal with investor rights & protections across 55 AfCFTA member countries (Zimbabwe included). The AfCFTA Investment Protocol's ISDS mechanism is still contested. However, its adoption will redefine continental policy direction. Investment protections will increasingly become linked to sustainability obligations & state regulatory rights. Investors & opportunity owners structuring long term deals in Zimbabwe (e.g. 10+ years) should build AfCFTA compliance assumptions into their deals now.

SADC Finance & Investment Protocol (FIP)

This provides a binding regional investment framework for SADC member states. It contains binding protections, investment facilitation commitments & a dispute settlement mechanism. However, it does not grant private-party investor-state dispute settlement rights. This means disputes between investors & SADC member state governments remain subject to domestic resolution first. All in all, the SADC FIP does provide an important standards baseline but should not be relied upon as the primary dispute resolution mechanism. BIT protections, where applicable, remain superior.

ICSID Convention

Zimbabwe acceded to the ICSID Convention (Convention on the Settlement of Investment Disputes between States & Nationals of Other States) in June 1994. This accession was implemented domestically through the Arbitration (International Investment Disputes) Act No. 16 of 1995 (Chapter 7:03). It requires Zimbabwe's High Court to register & enforce ICSID Convention awards. It means that investors from BIT partner countries can submit disputes to ICSID arbitration. Awards are enforceable in any of the 166+ ICSID member state jurisdictions.

The Von Pezold & Others versus Zimbabwe case demonstrated the enforceability of ICSID awards against Zimbabwe. It also demonstrated the possible consequences of treaty breach. That case resulted in an order that required Zimbabwe to return expropriated estates. This was a rare restitution remedy in international investment arbitration. It indicated the severity with which ICSID tribunals approach Zimbabwe's historical expropriation record.

KEY INVESTOR PROTECTIONS UNDER ZIMBABWE'S BIT FRAMEWORK

The following protection standards are typical for active Zimbabwe BITs. Investors should note that the specific scope & details of each standard do vary.

Protection Against Expropriation	BITs prohibit the nationalization or expropriation of covered investments unless 4 conditions are met: • The expropriation must be for a public purpose • It must be non-discriminatory • It must comply with the due process of the law • It must be accompanied by prompt, adequate & effective compensation at fair market value
Fair & Equitable Treatment (FET)	This is the most frequently invoked protection in international investment arbitration. It requires the host state to maintain a stable, transparent & non-discriminatory regulatory environment. Actions that typically breach FET are: • Arbitrary reversal of investor-specific regulatory approvals • Targeted harassment by regulatory authorities • Discriminatory application of environmental or sector regulations • Denial of justice in domestic court proceedings
Full Protection & Security (FPS)	FPS obligations require the host state to exercise due diligence in protecting foreign investments from physical & legal harm. Physical harm includes damage caused by civil unrest, riots or political violence. Legal harm includes unjust administrative actions that effectively deny the investor the benefit of their investment.
Free Transfer Of Funds	BITs typically guarantee foreign investors the right to freely transfer investment-related funds. This includes profits, dividends, royalties, interest, loan repayments, management fees & proceeds from the sale or liquidation of an investment. This protection intersects with the RBZ's exchange control framework. Investors should obtain specific legal advice on the interaction between their BIT fund transfer rights & the current RBZ regulations.
Most Favoured Nation (MFN) & National Treatment	This requires Zimbabwe to treat covered investors no less favourably than investors from any other foreign country. It requires treatment no less favourable than that accorded to domestic investors in comparable circumstances. The ZIDA Act (Section 14) codifies MFN & National Treatment principles for all investors.

INVESTOR-STATE DISPUTE SETTLEMENT (ISDS) PRACTICAL GUIDE

Understanding the dispute resolution process is as important as understanding the investment protections themselves. The available forums & the procedural trajectory are as follows:

Available Dispute Resolution Forums

Forum	Type	Important To Note
ICSID (World Bank)	International Arbitration	● Primary forum & Zimbabwe is a member. Awards are enforceable in 166+ jurisdictions but requires BIT that references ICSID
UNCITRAL Rules	International Arbitration	● Rules-based framework used where ICSID is not referenced. It is procedurally flexible & is common in Zimbabwe's older BITs
International Chamber Of Commerce	International Arbitration	● Commercial dispute forum but is less common for investor-state scenarios. It often available by mutual agreement
ZIDA/Domestic Arbitration	Domestic Arbitration	● Fallback for non-BIT investors or those who missed ZIDA registration deadline. Zimbabwean courts enforce
Zimbabwe High Court	Domestic Court	● The last resort & is less preferred by investors. Typically, subject to domestic judicial independence concerns

Dispute Resolution Pathway

1

Consultation & Negotiation

Most BITs require disputing parties to first attempt to resolve via diplomatic consultations or direct negotiations. This usually over a cooling-off period of 3 to 6 months.

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2

Domestic Remedies

Certain treaties require the investor to first exhaust available domestic remedies before pursuing international arbitration.

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3

International Arbitration

After cooling-off period or domestic remedy requirement, investors may submit their claim to ICSID, UNCITRAL or agreed arbitral forum depending on ISDS provisions

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4

Award Enforcement

ICSID awards directly enforceable in all ICSID member states without need for domestic proceedings. UNCITRAL awards are enforceable under New York Convention in 172+ states

🟡 A NOTABLE PRECEDENT

The Bernhard von Pezold & Others versus Zimbabwe (ICSID Case No. ARB/1/15) is noteworthy. The Tribunal found that Zimbabwe's expropriation of estates without compensation breached the Switzerland-Zimbabwe & Germany-Zimbabwe BITs. The Tribunal ordered Zimbabwe to return the expropriated properties. This restitution award is quite rare in ICSID dispute resolutions. This case highlights that Zimbabwe's BIT obligations are not merely theoretical. They are enforceable & the government is aware of the enforcement consequences.

INVESTMENT STRUCTURING IMPLICATIONS

The treaty intelligence in this document has direct implications for how investors structure their entry into Zimbabwe. The following are key structuring principles borne out Zimbabwe's current investment treaty network:

● Treaty Shopping Considerations

A potential investor's home country may not have a BIT with Zimbabwe. It could also be that the BIT in question is weak e.g. one that lacks ISDS provisions. Such an investor may consider incorporating a Special Purpose Vehicle (SPV) in a jurisdiction that has a strong BIT with Zimbabwe. This is a practice called treaty shopping. ICSID tribunals have of course addressed the legitimacy of treaty shopping in many cases. Regardless, it remains a viable structuring tool where genuine business exists in the SPV jurisdiction. SPV jurisdictions with active Zimbabwe BITs include Netherlands, Switzerland, UAE & Germany. Singapore & Mauritius, once their BITs are activated, would also become strong routing options.

● ZIDA Registration

ZIDA registration is fundamental for foreign investors entering Zimbabwe. Failure to register within the 90-day period constitutes a statutory waiver of BIT protection. Thus, it is prudent for investors to prioritize this.

● Indian & US Investor Structuring

India terminated its BIT with Zimbabwe & the US has no bilateral investment treaty with Zimbabwe. US-COMESA TIFA does provide some limited trade & investment framework but not investor protections. Thus, Indian & US investors accessing Zimbabwe could structure their entry via jurisdictions with strong Zimbabwe BITs. They can obtain robust contractual investor protection provisions in their shareholder & project agreements. They can also consider political risk insurance via MIGA or private PRI providers.

SECTOR-SPECIFIC TREATY RISK MAPPING

It is prudent for investors to map their treaty position against the specific sector they are entering. The following risk summary is intended to be a starting point:

Sector	Risk Level	Primary Concern	Recommended Action
Mining	Medium - High	Minerals classification & declaration provisions, reserved sectors & small-scale gold mining reservation provisions	• Confirm reserved sector & mineral classification status • Ensure BIT from country of origin is active • Register with ZIDA
Real Estate	Low – Medium	Indigenization legacy & foreign currency repatriation	• Obtain BIT coverage • Verify RBZ transfer approvals in advance • Use USD-denominated contracts
Agribusiness	Medium	Land tenure & FET exposure from historical expropriation	• Lease rather than freehold where possible • Ensure BIT covers agriculture assets • Political risk insurance is highly recommended
Renewable Energy	Low	Minimal reserved sector exposure	• Straightforward BIT coverage • Focus due diligence on offtake agreement creditworthiness
Fintech Or Financial Services	Medium	RBZ licensing & currency risk	• BIT fund transfer provisions are critical • Obtain RBZ pre-approval for repatriation structure

INVESTORS TAKE NOTE!

✅ Verify your treaty position before committing capital. Confirm whether your home country has an active BIT with Zimbabwe. Confirm also whether it includes ISDS provisions. Do not assume treaty protection without verification.

✅ Register with ZIDA within the statutory timeline. To get treaty protection, this is a non-negotiable precondition. Budget time & legal costs for this as part of your market entry planning.

✅ Consider your SPV jurisdiction carefully. Your home country may lack a Zimbabwe BIT, or you could be structuring a large deal. Consider incorporating your SPV in a jurisdiction with an active strong Zimbabwe BIT. Examples are Netherlands, Switzerland, UAE & Germany.

✅ Obtain risk insurance for large or long-term investments. MIGA membership makes the Zimbabwe market eligible for political risk insurance. For investments above US$5M with a 5+ years horizon, PRI is a baseline requirement!

✅ Keep legal counsel on standby for regulatory changes. Zimbabwe's regulatory environment is highly active. At the very least, monitor SI 215 of 2025, the Mines & Minerals Bill 2025 & exchange control developments as ongoing compliance obligations.

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INVESTOR HOSTING CENTRE