



ZIMBABWE'S LITHIUM BOOM AND CHINESE INVESTMENT: NAVIGATING OPPORTUNITY AND RISK IN THE ENERGY TRANSITION CHAIN

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Cover: Open cast mining of black granite in Mutoko, Zimbabwe. Credit: Steve Mathambo Ngoma/ Shutterstock.

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EXECUTIVE SUMMARY

Zimbabwe's mining industry stands as a vital pillar of its economy, contributing significantly to national development through job creation, export earnings, infrastructure expansion, and public revenue. With an abundance of mineral wealth—including gold, platinum, diamonds, coal, chrome, nickel, and lithium—the country holds a prominent place on Africa's mining map.¹ In recent years, lithium, in particular, has emerged as a game-changer.

Zimbabwe possesses the continent's largest-known lithium reserves, making it a strategic player in the global energy transition. As demand for lithium surges due to its critical role in electric vehicle batteries and renewable energy storage, Zimbabwe has become a hotspot for international investment. Lithium development has the potential to bring in substantial foreign capital, create employment opportunities, and strengthen the country's GDP. Furthermore, Zimbabwe's geographic and policy proximity to Asia—particularly China, the world's largest EV market and lithium battery manufacturer—enhances its strategic value. Further, China's growing interest in Africa's lithium supplies has positioned Zimbabwe as a key partner in securing sustainable energy resources for the future.

The striking pace of change in Zimbabwe's lithium sector is reflected in the rapid entry of foreign players into the sector, of which Chinese firms overwhelmingly dominate. In 2022, China's Zhejiang Huayou Cobalt—the world's largest cobalt producer—acquired a controlling interest in Prospect Lithium Zimbabwe's Arcadia Mine for USD 422 million (EUR 388 million).²

Soon after, Premier African Minerals Limited entered into a joint venture with Li3 Resources Inc., granting the latter a 50% share in lithium assets located in Mutare.³ In the same year, Hong Kong-based Sinomine also made headlines by purchasing full ownership of African Metals Management Services and Southern African Metals and Minerals—owners of the Bikita Lithium Mine—for USD 180 million (EUR 165 million).⁴ By the beginning of 2024, an acquisition worth approximately USD 1.75 billion (EUR 1.61 billion) was finalised between China Natural Resources Inc., Feishang Group Limited, and Top Pacific (China) Limited for a Zimbabwean lithium operation.⁵

Parallel to these acquisitions, Zimbabwe has increased its lithium exports, with a notable surge in shipments to China in the last four years. According to data from Benchmark Mineral Intelligence, Zimbabwean lithium exports to China rose nearly five-fold in the three months leading up to November 2023, reaching approximately 177,000 tonnes compared to 38,000 tonnes during the same period in 2022.⁶

The rapid growth of the lithium sector in Zimbabwe has raised concerns about environmental, social and governance risks in the sector. Civil society organisations and local media outlets cite cases of environmental degradation, poor labour conditions and disregard for community rights in lithium mining areas.⁷ Other concerns relate to license allocation, revenue management, tax compliance and foreign investment scrutiny. However, there has been limited research and analysis that specifically focuses on governance risks in the lithium sector.

This study aims to fill this gap by systematically examining governance structures, stakeholder interactions, and regulatory practices. Through stakeholder interviews, secondary literature and the

¹ World Bank (2022) *Minerals for Climate Action: The Mineral Intensity of the Clean Energy Transition*. Washington, DC: World Bank.

² Bore O (2025) *In Zimbabwe, China's EV Mineral Hunt Sparks Both Hope and Unease*. Available at: <https://chinaglobalsouth.com/analysis/china-lithium-mining-zimbabwe-ev-supply-chain/> (Accessed: 3 September 2025).

³ Mining Weekly (2022) *Li3 signs JV to acquire half of Premier's lithium assets in Zimbabwe*, *Mining Weekly*. Available at: <https://www.miningweekly.com/print-version/li3-signs-jv-to-acquire-half-of-premier-lithium-assets-in-zimbabwe-2022-04-25> (Accessed: 01 September 2025).

⁴ Mining Zimbabwe (2022) *Breaking: Chinese company buys Bikita Minerals, Mining Zimbabwe*. Available at: <https://miningzimbabwe.com/breaking-chinese-company-buys-bikita-minerals/> (Accessed: 01 September 2025).

⁵ Reuters (2023) *China Natural Resources to acquire lithium mine in Zimbabwe* | *reuters, Reuters*. Available at: <https://www.reuters.com/article/markets-commodities/china-natural-resources-to-acquire-lithium-mine-in-zimbabwe-idUSL4N3583U8/> (Accessed: 09 September 2025).

⁶ Daily News. (2024). *Zimbabwean spodumene concentrate exports to China nearly five-fold to 177,000 tonnes*. [online] 25 May. Available at: <https://dailynews.co.zw/zimbabwe-set-to-lead-in-lithium-exports/> (Accessed 4 Jun. 2025).

⁷ Center for Natural Resource Governance (2024) *Communities at risk: Socio-environmental costs of lithium mining in Zimbabwe*. Harare: CNRG. See also: *Zimbabwe Environmental Law Association (2024) Displacement without justice: A review of FPIC violations in Zimbabwe's lithium belt*. Harare: ZELA.; *Zimbabwe Environmental Law Association (2024); Implications of the Lithium Mining Rush in Zimbabwe: Analysis of Legal Developments*, Harare: ZELA

application of governance risk tools, the study maps lithium activities in Zimbabwe and identifies key actors. The study focuses on Chinese firms, which dominate production in the sector as a result of major acquisitions.

The study finds that the lithium sector has close links to politically exposed persons (PEPs) such as cabinet ministers, religious leaders and traditional leaders. We observe the entry of Chinese companies into Zimbabwe's lithium sector through both direct acquisition of existing companies and the establishment of joint ventures and partnerships. We note that PEPs have played a critical role in negotiating contracts and facilitating the award of prospecting licenses. Similarly, analysis of the ownership structure for some companies indicates significant equity ownership amongst PEPs and those with close links to members of the executive.

Priority Risk 1: Lack of clear timelines in lithium mining rights awarding processes: No timelines are indicated for the awarding of lithium application processing and approval. This provides an opportunity for selective application processing, as well as opportunities for bribery by public sector employees, who may take advantage of the process to expedite awards or applications.

Priority Risk 2: Political interference in lithium mining licensing and awarding: A lack of insulation of public officials' decision-making processes from the influence of political elites and traditional leaders. This has undermined the role of some stakeholders and processes in the awards process.

Priority Risk 3: Compromised community participation and stakeholder buy-in in lithium projects: Monitoring frameworks for Environmental Impact Assessments (EIAs) are opaque and unclear. Community sector organisations have had difficulty accessing information on EIAs and other monitoring frameworks.

Priority Risk 4: Undisclosed Environmental and Social Impact Assessments in lithium mining: Community and stakeholder consultation has remained limited. Whilst standard procedure requires that companies engage communities before pegging or prospecting, there are reports of agents or politically exposed individuals failing to conduct meaningful and inclusive consultation processes.

Priority Risk 5: Rent-seeking behaviour among officials in lithium sector governance: Special mining grants have been awarded without open competition, with reports from various CSOs indicating that informal payments were often a prerequisite for fast-tracking approvals.

Recommendations linked to the Priority Risks

Given the risks identified, a series of recommendations are provided below. These are discussed in more detail in the rest of the document.

— Recommendation 1: Establish clear timelines and procedures in lithium mining rights awarding processes

- Establish legally binding deadlines for lithium mining rights applications.
- Develop a dedicated online licensing portal tailored for lithium sector applications.
- Keep a public real-time lithium license registry.
- Create an independent oversight committee for lithium licensing to audit timelines and publish irregularities.

— Recommendation 2: Ensure clear criteria to safeguard lithium mining licensing and awarding from political interference.

- Enforce merit-based, transparent criteria (technical, financial, environmental, community benefits).
- Require parliamentary oversight for major lithium deals.
- Mandate full disclosure of all lithium mining rights transactions and ownership changes in public registries.

— Recommendation 3: Ensure adequate community participation and stakeholder buy-in in lithium projects.

- Institutionalise Free, Prior and Informed Consent (FPIC) protocols explicitly for lithium mining projects; embed FPIC in Mines and Minerals Act reforms.
- Strengthen ESIA with community-led consultations and transparent disclosure.
- Empower local authorities, traditional leaders, and civil society organisations to engage in governance and oversight.
- Create legally binding benefit-sharing frameworks (fair compensation, local development, and livelihood).
- Establish accessible grievance mechanisms specific to lithium disputes.



Photo: Workers use a drilling machine to cut a granite rock at Jinding mine in Mutoko, Mashonaland East Province, Zimbabwe. Source: Imago/alamy.

— Recommendation 4: Ensure environmental and social impact information for lithium mining is transparent and accessible.

- Legislate compulsory public disclosure of all lithium ESIA (exploration and production phases).
- Set up independent ESIA review boards with lithium-specific expertise (chemical waste, water use).
- Support community-based environmental monitoring in lithium regions.
- Strengthen the EMA resources and enforcement powers for lithium operations.

— Recommendation 5: Strengthen regulations to curb rent-seeking behaviour in lithium sector governance

- Automate licensing and approval workflows to reduce discretion.
- Implement whistleblower protections and confidential reporting for lithium governance.
- Provide ethics and anti-corruption training for officials managing lithium mining affairs.
- Ensure transparent, competitive bidding for contracts and special grants, with full award disclosure.
- Equip civil society and media to monitor the sector with access to information and protections.
- Create specialised anti-corruption units within regulators focused on lithium.

In sum, the rapid growth of the lithium sector in Zimbabwe demands time-bound, transparent, and accountable governance to ensure that the favourable global context of the energy transition delivers sustainable benefits for the country, its environment and its people. The full report sets out to discuss the context in detail and provides comprehensive analyses of priority governance risks, together with the corresponding recommendations and implementation considerations.

INTRODUCTION

The global transition towards renewable energy and electrification has generated tremendous new demand for lithium due to its essential role in lithium-ion batteries used for electric vehicles, renewable energy storage, and portable electronics.⁸ Zimbabwe, endowed with some of Africa's largest lithium reserves primarily located in the Bikita, Goromonzi and Zulu-Lower Gweru regions, has emerged as a focal point for global lithium extraction and investment. There are over seven major firms in Zimbabwe's lithium sector, most of which involve significant Chinese ownership. According to Mapuranga (2025), all currently operational mining lithium mines are controlled by Chinese investors.⁹ These companies have secured significant exploration and production licenses through joint ventures and acquisitions, consolidating a dominant position within Zimbabwe's lithium mining landscape.¹⁰

While foreign direct investment (FDI) in the lithium sector presents Zimbabwe with opportunities for economic diversification and infrastructural development, it also raises significant governance challenges that threaten the sustainability and equity of lithium resource exploitation. Zimbabwe's mining governance landscape is characterised by institutional fragility, weak regulatory enforcement, limited transparency in licensing and contract negotiations,

and constrained public accountability mechanisms that collectively heighten risks of environmental degradation and social conflict. Reports of inconsistent application of Environmental Impact Assessment (EIA) protocols, combined with evidence of environmental harm including deforestation, soil erosion, and water contamination, especially in communities adjacent to mining operations, underline the urgency of these challenges particularly within the lithium sector.¹¹ Socio-political tensions arise from community grievances over displacement, inadequate compensation, and limited benefit-sharing, further complicating governance risks in the sector.

Zimbabwe's lithium sector has experienced significant developments in recent years, which have largely been driven by foreign investments from China alongside a series of policy reforms aimed at maximising the country's economic benefits from its lithium resources. Lithium production has increased annually since 2020, reaching a new height of 22,000 metric tonnes in 2024, marking an increase of almost 50% on 2023 production levels.¹² This growth positions lithium as Zimbabwe's third-largest mineral export, following gold — which has long been mined in Zimbabwe and is dominated by artisanal and small-scale miners — and platinum group metals.¹³

With growing demand for lithium, Zimbabwe has moved to step up value addition in the sector through a structured licensing system that requires mining companies to obtain Approved Processing Plant licenses and relevant permits for exports.¹⁴ These permits aim to ensure compliance with environmental, safety, and beneficiation standards, aligning with the

8 McKinsey & Company (2023) *Battery 2030: Resilient, Sustainable, and Circular*, McKinsey & Company. Available at: <https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/battery-2030-resilient-sustainable-and-circular> (Accessed 10 September 2025)

9 Mapuranga (2025) *China Tightens Grip on Zimbabwe's Lithium Resources, Securing Key Mineral for Global Energy Transition*. Available at: <https://miningzimbabwe.com/china-tightens-grip-on-zimbabwes-lithium-resources-securing-key-mineral-for-global-energy-transition/> (Accessed: 4 September 2025).

10 ZELA (2023) *'Chinese dominance in Zimbabwe's lithium mines: Potential risks, vulnerabilities and opportunities in the critical minerals sector'*, IPIS Research. Available at: <https://ipisresearch.be/weekly-briefing/chinese-dominance-in-zimbabwes-lithium-mines-potential-risks-vulnerabilities-and-opportunities-in-the-critical-minerals-sector> (Accessed 10 September 2025)

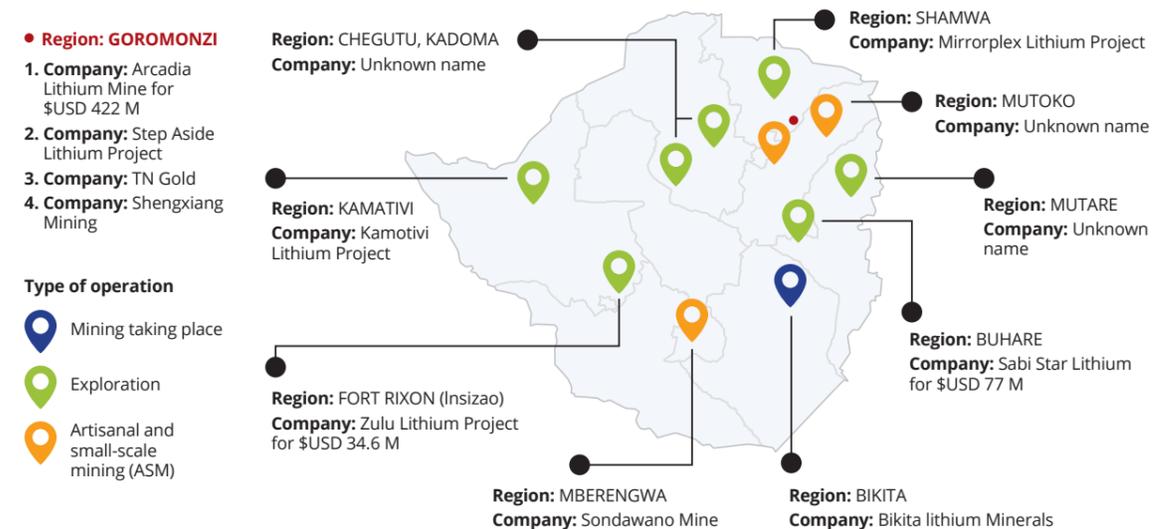
11 Center for Natural Resource Governance (2024) *Communities at risk: Socio-environmental costs of lithium mining in Zimbabwe*. Harare: CNRG

12 Investing News Network. (2024). *Top lithium-producing countries*. [online] Available at: <https://investingnews.com/daily/resource-investing/battery-metals-investing/lithium-investing/lithium-production-by-country>. (Accessed: 12 May 2025)

13 Hilson, G., Sauerwein, T. and Mavhungu, C. (2021) 'Artisanal and small-scale mining and rural livelihood diversification in sub-Saharan Africa', *The Extractive Industries and Society*, 8 (3), p.100901.; AfriPoli (2024) *Lithium mining and national economic development in Zimbabwe*. Available at: <https://afripoli.org/projects/green-minerals/lithium-mining-and-national-economic-development-in-zimbabwe> (Accessed: 16 June 2025).

14 Environmental Management Agency (2023) *Annual Compliance and Enforcement Report*. Harare: Government of Zimbabwe.; Business and Human Rights Resource Centre (2023) *Zimbabwe: Two lithium mines shut down for operating without Environmental Impact Assessment certificates*. Available at: <https://www.business-humanrights.org/en/latest-news/zimbabwe-two-lithium-mines-shut-down-for-operating-without-environmental-impact-assessment-certificates/> (Accessed: 11 June 2025).

Lithium exploration and mining projects in Zimbabwe



Source https://ipisresearch.be/wp-content/uploads/2023/09/Lithium-exploration-in-Zimbabwe_ZELA-scaled.jpg

government's broader goals of local value addition and sustainable economic development.¹⁵

This study critically interrogates the governance risks associated with foreign investments in Zimbabwe's lithium sector by examining the institutional, environmental, and socio-political dimensions of resource governance. It situates these investments within the broader political economy of Zimbabwe's mining sector, reflecting on the implications of these governance gaps within the broader transparency and accountability discourse in the extractive sector. Through a rigorous analysis of governance structures, stakeholder interactions, and regulatory practices, this study aims to provide concrete policy-oriented recommendations that can further contribute to the advocacy efforts of civil society organisations.

This research employs a qualitative case study approach to investigate governance risks in Zimbabwe's lithium sector, with a particular focus on Chinese investments. By focusing on Zimbabwe's lithium mining operations, the study aims to understand how governance structures interact with foreign investment

and local communities. Data collection involved a multi-method strategy. Firstly, a comprehensive literature review analysis was undertaken reviewing legal frameworks such as the Mines and Minerals Act [Chapter 21:05] and Environmental Management Act [Chapter 20:27] to gain an understanding of the policy framework. Specific attention was given to legal Statutory Instruments introduced between 2023–2024 focusing on the lithium sector. This was supplemented by secondary data from academic sources, newspaper articles, and civil society publications. Secondly, semi-structured interviews were conducted with key informants, including government officials, representatives of mining companies, community leaders, and civil society actors. These interviews provided diverse perspectives on regulatory enforcement, community impacts, and governance challenges. A total of 12 interviews were conducted with key informants. Finally, site visits to key lithium mining areas facilitated direct observation of mining activities and their socio-environmental effects.

15 Zimbabwe Environmental Law Association (2024) *Displacement without justice: A review of FPIC violations in Zimbabwe's lithium belt*. Harare: ZELA. Zimbabwe Environmental Law Association (2024); *Implications of the Lithium Mining Rush in Zimbabwe: Analysis of Legal Developments*, Harare: ZELA

AN OVERVIEW OF THE EXTRACTIVE SECTOR IN ZIMBABWE

Zimbabwe's resource sector contributes over 60% of the country's export earnings and around 10% of GDP.¹⁶ The country's vast mineral endowments—including gold, platinum group metals, diamonds, chrome, coal, and, more recently, lithium—have positioned mining as a key engine of macroeconomic performance. However, for many, the reliance of Zimbabwe's economy on the extractives sector has rendered Zimbabwe's economy vulnerable to global commodity price fluctuations, while also reinforcing a developmental model rooted in primary resource exploitation with limited downstream benefits. Moreover, these resources have become central to the reproduction of state power, serving as instruments of political patronage and elite consolidation.¹⁷

One set of issues posed by the rapid expansion of lithium mining in Zimbabwe relates to the role of artisanal and small-scale mining, which has emerged as a critical yet precarious component of the sector. Driven by economic hardship, high unemployment, and rural disenfranchisement, over 1.5 million Zimbabweans now rely on artisanal and small-scale mining for their livelihoods (Mutemeri, Sellick and Mungoni, 2016). These mining activities operate largely outside of formal regulatory frameworks, exposing miners to health and safety risks, exploitation by gangs and criminalisation by the state (Hilson, Sauerwein and Mavhunga, 2021). Despite government efforts to formalise artisanal and small-scale mining through licensing schemes and training programmes, structural barriers—including lack of access to finance, geological data, and secure land tenure—continue to marginalise small-scale miners. As a result, Zimbabwe has a dualistic mining economy, in which formal, capital-intensive ventures coexist uneasily with an informal, labour-intensive subsistence sector.

These tensions in the sector are exacerbated by governance risks that emerge from the fragmented and outdated institutional framework that governs the sector. The primary legal instrument, the Mines and Minerals Act of 1961, has undergone several amendments but still falls short in addressing modern mining governance principles such as transparency, responsible mining, community benefit, environmental protection, local content, and social accountability.¹⁸ The Act confers broad discretionary powers to the Minister of Mines and Mining Development and the President, enabling the non-transparent allocation of mining rights and fostering opportunities which can lead to patronage and elite capture. The framing of the legislation lacks essential provisions on environmental protection, community participation, and transparency, resulting in weak enforcement of environmental standards and limited recognition of local communities' rights and key principles of mining development such as free prior and informed consent (FPIC). Furthermore, the absence of a modern, digitised mining cadastre system exacerbates challenges around title disputes, opaque licensing processes and the lack of disclosure requirements for beneficial ownership. Of interest to civil society organisations, communities and potential investors, the legislation does not incorporate mechanisms for contract disclosure, beneficial ownership transparency, or local content requirements, thereby limiting Zimbabwe's ability to add value locally and capture greater benefits from its mineral wealth.

Moreover, regulatory functions are divided across multiple agencies—including the Ministry of Mines and Mineral Development, the Zimbabwe Mining Development Corporation, Chamber of Mines and the Environmental Management Agency—but coordination is often weak, and overlapping mandates result in bureaucratic inefficiencies. The licensing and concessions system is highly discretionary, lacks transparency, and is prone to elite capture, making it difficult to enforce the rule of law or hold decision-makers accountable. There is increasing concern that the patterns that position state-linked enterprises and military-controlled firms as primary beneficiaries in

Table 1: Lithium Production in Zimbabwe

Year	Production (metric tons)
2010	470
2011	470
2012	1,060
2013	1,000
2014	900
2015	900
2016	1,000
2017	800
2018	1,600
2019	1,200
2020	417
2021	1,200
2022	1,030
2023	3,400
2024	122,000

Source: Authors own compilation and review

diamond concessions are being reproduced in other strategic minerals, including lithium.¹⁹

Although the Zimbabwean government has not introduced specific legislation governing the award of prospecting rights in the lithium sector, Zimbabwe introduced a series of policies between 2022 and 2024 that intervene in the lithium supply chain to compel value addition and beneficiation in the sector. These include a ban on the export of unprocessed lithium as well as the introduction of beneficiation planning mandates, which require lithium actors to develop plans for processing lithium domestically and report on these to the Ministry of Mines and Mineral Development. More specifically, the Statutory Instruments of 2023 mandates that entities wishing to mine lithium ores must either process that ore at their own Approved Processing Plant, which requires

an Approved Processing Plant license issued by the Ministry; or sell them to those with approved processing facilities locally. Ore movement permits for lithium ores are only issued if the ores are destined for a local Approved Processing Plant, and lithium ores can only be stored at the mining site where they were mined or at an approved local processing plant. All players in the lithium sector are required to submit monthly reconciliations of ore movements to the Ministry of Mines and Mining Development.

Beneficiation planning has now been integrated into the export ban, which prohibits the export of all un-beneficiated base mineral ores, including lithium, without a ministerial permit. For any material to qualify as a concentrate for export, it must meet the minimum technical specifications and selling prices set by the Minerals Marketing Corporation of Zimbabwe. Additionally, a 1% levy on gross proceeds from lithium mining exports was introduced in 2024, with proceeds targeting urban infrastructure, including improved water systems and roads as well as community beneficiation projects.

AN OVERVIEW OF THE LITHIUM SECTOR IN ZIMBABWE

Zimbabwe has one of the largest lithium deposits in Africa, and the fifth largest deposits globally. As the transition away from fossil fuels drives global demand for lithium, Zimbabwe lithium deposits have positioned the country as one of the big players in the global mining sector. Unlike lithium deposits in South America which are mined from salt pans along the borders of Argentina, Chile, and Bolivia, Zimbabwe's lithium resources, like those across other African countries and Australia, are largely made up of hard rock pegmatites, rich in spodumene, lepidolites and petalites.

As global demand has increased sharply, lithium mining in Zimbabwe has grown from 470 metric tons in 2010 to over 1.1 million metric tons by the end of 2024.²⁰ This huge growth in production has been facilitated by foreign direct investments in the sector, largely by Chinese firms. According to the Zimbabwe Investment Development Agency (ZIDA), Chinese multi-national companies had invested over USD 1.5 billion from 2010 to 2023 in the lithium sector.²¹

¹⁶ Chamber of Mines of Zimbabwe (2022) *State of the Mining Industry Report*. Harare: CoMZ.

¹⁷ Saunders, R. and Ncube, G. (2019) *The Mining Industry in Zimbabwe: Challenges for Sustainable Development*. Uppsala: Nordic Africa Institute.

¹⁸ Center for Natural Resource Governance (2024) *Communities at risk: Socio-environmental costs of lithium mining in Zimbabwe*. Harare: CNRG.

¹⁹ Mutlokwa, H. & Okoloise, C. (2025) Socio-legal reflections on Zimbabwe's lithium industry: The role of public participation in resource governance and environmental justice, *Potchefstroom Electronic Law Journal (PER/PELJ)*, vol. 28, pp. 1–29, Available at: <https://perjournal.co.za/article/download/18234/24358/140578> (Accessed 12 September 2025).

²⁰ Weng, L., 2025. *Unlocking the Potential of Critical Minerals Extraction for Africa's Structural Transformation*. Centre for Sustainable Structural Transformation, SOAS University of London.

²¹ Musaidzi, L. (2024). *Chinese multinationals pour US\$1.5 bn into lithium sector*. *The Zimbabwe Independent*, 29 November. Available at: <https://www.newsday.co.zw/theindependent/business-digest/article/200035609/chinese-multinationals-pour-us15bn-into-lithium-sector> [Accessed 12 June. 2025].

The significant scale of Chinese investment in Zimbabwe's lithium sector reflects the pivot towards China in Zimbabwe's foreign policy. This emerged in the wake of its isolation from the international community in the early 2000s. Zimbabwe's 2003 Look East Policy focused on strategic alliances with China and Russia, delivering a series of business and trade agreements that seek to support the country's development.²² The significance of the broader geo-strategic relationship between China and Zimbabwe, however, raises concerns that Chinese firms in the lithium sector might be subject to commercial privilege at the cost of transparency and procedural fairness in the regulatory oversight of the sector.

Chinese dominance in Zimbabwean lithium is reflected in the scale of Chinese influence across the seven key major lithium exploration and mining projects in Zimbabwe, most of which are linked to Chinese interests (see Table 2, below). Chinese interests have entered the lithium sector through either direct acquisitions of existing companies in the sector or through joint ventures with local firms; in each case facilitating major investment in the sector.

For example, Zhejiang Huayou Cobalt acquired the Arcadia lithium mine from Australia's Prospect Resources for USD 422 million in 2022. Huayou subsequently invested an additional USD 300 million to develop a processing plant capable of producing 450,000 metric tons of lithium concentrate annually. Similarly, Sinomine Resource Group acquired Bikita Minerals for USD 180 million, investing USD 200 million to expand operations, including a new spodumene concentrate plant with an annual capacity of 300,000 metric tons and an expanded petalite plant increasing output to 480,000 metric tons.²³

In these and other acquisitions, Chinese firms have strategically utilised equity acquisitions and structured funding arrangements to secure dominant positions

in Zimbabwe's lithium sector. For example, in 2022, Suzhou TA&A Ultra Clean Technology Co. Ltd., a Shenzhen-listed company, acquired a 13.38% equity stake in Premier African Minerals, which is developing the Zulu lithium and tantalum project in Matabeleland South. This stake was obtained through a private placement worth approximately USD 14.37 million, alongside a USD 34.6 million interest-free prepayment facility to support the construction of a high-capacity pilot processing plant.

According to the Mining Weekly of 2022, the financial backing allowed Premier African Minerals to commence production of up to 50,000 tonnes of spodumene concentrate annually on a pilot scale, positioning the project as one of Zimbabwe's most advanced lithium ventures.²⁴

Beyond equity participation, Suzhou TA&A secured exclusive offtake rights for Zulu lithium output during its initial three years of operation or until the prepayment facility was fully repaid. The deal also granted Suzhou TA&A right of first refusal on future production and an option to maintain its stake through participation in follow-on capital raises. Crucially, the agreement enabled Suzhou TA&A to appoint a board nominee, ensuring strategic oversight in project development and operational decisions.²⁵

These terms reflect a broader model used by Chinese firms to reduce operational risk, secure long-term supply, and navigate regulatory landscapes in resource-rich but policy-volatile jurisdictions like Zimbabwe.²⁶ The Zulu deal illustrates how foreign investment is not only accelerating Zimbabwe's lithium production capacity but also the strategic role that Chinese companies are taking in the extraction of raw materials for the global energy transition.

The prominence of foreign investments has raised concerns over transparency, equitable benefit-sharing, and the marginalisation of local actors, highlighting

22 Ojakorotu, V., & Kamidza, R. (2018). Look East Policy: The Case of Zimbabwe-China Political and Economic Relations Since 2000. *India Quarterly*, 74(1), 17-41. <https://doi.org/10.1177/0974928417749642>

23 Mining.com. (2023). 'China drives African lithium surge to lock in key battery metal.' *Bloomberg News* [online] Available at: <https://www.mining.com/web/china-drives-african-lithium-surge-to-lock-in-key-battery-metal/>. (Accessed: 12 May 2025)

24 Mining Zimbabwe (2023) 'Zulu lithium to be a world-class asset', Mining Zimbabwe, 26 January. Available at: <https://miningzimbabwe.com/zulu-lithium-to-be-a-world-class-asset/> (Accessed: 10 July 2025)

25 Premier African Minerals (2022) 'Zulu Lithium DFS Funding – Company Announcement', Premier African Minerals, 8 March, 2025. Available at: <https://markets.ft.com/data/announce/full?dockey=1323-15359361-6DQL4K151Q5R3HEU4EGS3LPNR2>. (Accessed: 10 September 2025)

26 International Peace Information Service (IPIS) (2023) 'Chinese dominance in Zimbabwe's lithium mines: Potential risks, vulnerabilities and opportunities in the critical minerals sector', IPIS Research. Available at: <https://ipisresearch.be/weekly-briefing/chinese-dominance-in-zimbabwes-lithium-mines-potential-risks-vulnerabilities-and-opportunities-in-the-critical-minerals-sector/> (Accessed: 11 August 2025)

Table 2: Major lithium projects in Zimbabwe

Mining company/Project	Summary of the Ownership Structure and any significant changes	Project Stage
Bikita Minerals	74% acquired by Sinomine in 2022 (via Mauritius entities). Remaining 26% formerly held by local shareholders – now reportedly under transition to full control.	Mining, processing lithium into concentrate and exporting. Currently developing a cesium production plant as well as a feasibility for lithium sulphate
Arcadia Lithium Project	100% owned by Zhejiang Huayou Cobalt since 2022. Prospect Resources Ltd (Australia) sold its 87% stake, and Huayou also acquired the remaining 13% from other entities	Mining, processing lithium into concentrate and exporting. Currently undertaking feasibility for lithium sulphate.
Sabi Star Lithium	100% owned by Chengxin Lithium Group through its international subsidiary.	Mining, processing lithium into concentrate and exporting
Zulu Lithium project	13.38% stake sold to Suzhou TA&A Ultra Clean Technology (China) in addition to control over first three years of output; remainder held by Premier African Minerals.	
Kamativi Project	Partnership between Zimbabwe Lithium Company and government; % unclear but involves strategic state interest through ZMDC or related entities.	Mining, processing lithium into concentrate and exporting
Sandawana Mine	100% state-owned via Kuvimba Mining House and potentially linked to the Mutapa Investment Fund. ²⁹	Mining while developing a processing plant
Mutoko/Gwanda Prospects	Various privately held entities including Zertew Holdings, Gwanda Lithium Co, and Chinese-linked exploration firms; ownership details not fully public.	
Gwanda Lithium Project	Dinson Mining Investments – a subsidiary of Tsingshan Group and a Zimbabwe company – Crawford Private Ltd	Mining and processing lithium ore into concentrates.

Source: Authors own compilation

systemic risks of corruption and elite capture.²⁷ Addressing these multifaceted challenges requires a comprehensive governance framework that prioritises inclusivity, environmental stewardship, and socio-economic justice within Zimbabwe's burgeoning lithium industry.

These concerns are reflected in debates about the sector, particularly amongst civil society organisations, which give voice to the concerns of local communities. Local communities in mining regions report forced relocations without adequate consultation or compensation, contravening principles such as FPIC and undermining community rights.²⁸ Environmental

27 AfriPoli (2024) *Lithium mining and national economic development in Zimbabwe*. Available at: <https://afripoli.org/projects/green-minerals/lithium-mining-and-national-economic-development-in-zimbabwe> (Accessed: 16 June 2025); Dube, Sikhulile (2024) 'The impact of lithium mining on small-scale miners in Zimbabwe', Trukumb Mining. Available at: <https://www.trukumbmining.africa/the-impact-of-lithium-mining-on-small-scale-miners-in-zimbabwe/> (Accessed: 9 June 2025).

28 Chingombe, W. (2024) *Lithium mining in Zimbabwe: a story of loss for one community*. The Conversation, 11 January. Available at: <https://theconversation.com/lithium-mining-in-zimbabwe-a-story-of-loss-for-one-community-237490> (Accessed: 4 September 2025).

29 Mutapa Investment Fund (MIF) is Zimbabwe's sovereign wealth fund, initially established in 2014 under the *Sovereign Wealth Fund of Zimbabwe Act (Chapter 22:20)*. It was restructured and rebranded in September 2023, incorporating about 30 state-owned enterprises (SOEs) from the government portfolio.

degradation, including deforestation, soil erosion, and water pollution caused by illegal and unregulated mining poses significant risks to local ecosystems and livelihoods, despite interventions by regulatory bodies like the Environmental Management Agency.³⁰ These and other major issues were raised by stakeholders interviewed for study. Key emerging issues included:

(a) Smuggling and the illicit lithium sector

Community-based organisations report that the export ban on raw lithium, which was implemented in 2022, has driven the emergence of illegal smuggling of lithium ore. Reports indicate that lithium ore is being illicitly transported through porous border points, particularly the Forbes and Nyamapanda Border Posts, and exported via Mozambique's Beira port.

These activities are often facilitated by corrupt practices among border officials and the use of counterfeit permits, allowing trucks loaded with lithium to cross borders undetected.

In one significant incident, nearly 4,000 tonnes of lithium ore, believed to be destined for illegal export via South Africa and Mozambique, were intercepted in Masvingo province. The authorities arrested 17 suspects and seized five trucks loaded with the ore. The Artisanal and Small-Scale Miners Association mentioned a lack of adequate consultation in the design of the ban, which could have helped to forestall growth in lithium smuggling. The Association fears that, as a result of smuggling, the country could lose substantial revenue, similar to past experiences with diamond smuggling.³¹ Moreover, the illicit trade often involves unsafe mining operations that cause environmental degradation and pose health risks while denying local communities economic benefits derived from lawful mining activities, contributing to increased social tensions and insecurity.³²

(b) Displacement of communities

The rapid expansion of lithium mining in Zimbabwe has led to the displacement of several communities. According to the Zimbabwe Environmental Law Association (ZELA), over 1,000 people in Bikita and Goromonzi have been displaced or negatively affected by lithium exploration and extraction between 2022 and 2024.³³

The Chengxin Lithium Group-owned Sabi Star Mine, for example, required the relocation of 41 families from Mukwasi and Tagarira villages to Murambinda and Mberengwa. Although Chengxin constructed new homes for the displaced families, many reported unmet promises, including the loss of livestock, size of allocated land, inadequate compensation, intimidation, and a lack of meaningful consultation.³⁴ In interviews with local community-based organisations, concerns were raised by residents, particularly over job access, including that employment opportunities were limited and often required bribes. Additionally, it is reported that families have lost access to communal grazing lands, sacred sites, and water sources — resources central to their economic survival and cultural identity.³⁵ Affected households have reported a sharp decline in food security, educational access, and cultural cohesion.

Other communities have fared better. Premier African Minerals' Zulu Lithium Project in Fort Rixon, in which Chinese firm, Suzhou TA&A has a significant but not controlling interest, adopted a more community-centric approach. The company provided relocated families with four-roomed houses, a hectare of land for farming, monthly allowances, and educational support for children up to tertiary level.³⁶

Nonetheless, local human rights groups argue that many of the experiences of displacement related to the lithium sector in Zimbabwe violate the principle of FPIC,

enshrined in international legal instruments such as the UN Declaration on the Rights of Indigenous Peoples.³⁷ The social costs of such displacement, coupled with environmental degradation, point to a failure to integrate sustainability, human rights, and community welfare into Zimbabwe's current lithium development strategy.

(c) Environmental degradation

Lithium mining has contributed to considerable environmental and socio-economic disruptions, particularly in districts such as Buhera, Bikita, and Goromonzi — regions that have become focal points for both domestic and foreign mining investment. The expansion of open-pit lithium operations has resulted in widespread deforestation, soil erosion, and water pollution, especially near river systems and agricultural zones. Research by the African Institute for Environmental Law (2023) identifies open-pit mining as one of the most ecologically destructive extraction methods, producing large volumes of overburden and toxic waste including lithium salts, acids, and solvents. These substances contaminate surface and groundwater, reduce agricultural productivity, and contribute to the loss of biodiversity. For example, local reports from Bikita indicate elevated levels of heavy metals such as arsenic and cadmium in nearby water bodies, attributed to waste discharge from mining operations. While the Environment Management Agency has intervened in some cases — such as suspending the operations of Shengxiang Mining and TN Gold in 2023 for non-compliance with Environmental Impact Assessment, regulations-enforcement remains sporadic and inconsistent.³⁸

One of the key concerns has been the inadequacy of the environmental penalties in acting as a deterrent factor. The Shengxiang and TN Gold Company was fined USD 5000, which CSOs report to be a relatively low amount considering damage caused to the environment. Activists from civil society organisations argue that the regulatory framework suffers from political interference

and under-resourcing, making it difficult to monitor illegal operations effectively. Reports also posit that foreign investors, particularly from China, have exploited institutional loopholes to operate without full compliance with environmental or labour laws.³⁹ Community members interviewed indicated that in many cases, community consultation processes required under Zimbabwe's Environmental Management Act have either been ignored or manipulated, further undermining environmental justice. The intensity of water use in lithium mining is also a cause for concern. In Buhera, cases of severe depletion of rivers and water sources for household and agriculture use were reported by interviewees. In some cases, rivers had to be diverted towards mining sites at the expense of community access to and water rights.

Further to these risks, policy inconsistencies and infrastructure deficits have remained as compounding challenges that continue to affect the lithium sector in Zimbabwe. The December 2022 ban of the export of raw lithium had a broader aim of promoting local beneficiation. Yet, this policy was implemented without sufficient transitional measures, causing significant disruptions. Bikita Minerals was forced to halt exports and rush the construction of a processing plant to comply with the new rules, leading to delays and increased costs.⁴⁰ Similarly, Prospect Lithium Zimbabwe, operated by Huayou Cobalt after a USD 422 million takeover of the Arcadia lithium project, was forced to accelerate its beneficiation infrastructure amidst unclear regulatory guidelines, straining operational timelines.⁴¹ Premier African Minerals, a UK-listed company developing the Zulu Lithium and Tantalum Project, faced setbacks as its initial business model relied on exporting spodumene concentrates. The ban forced a strategic shift and delayed production, affecting the company's share performance.⁴²

Compounding these policy challenges is Zimbabwe's weak infrastructure: key lithium-producing regions suffer from unreliable electricity, poor road conditions, and limited rail connectivity. For example, operations at

30 Business and Human Rights Resource Centre (2023) *Zimbabwe: Two lithium mines shut down for operating without Environmental Impact Assessment certificates*. Available at: <https://www.business-humanrights.org/en/latest-news/zimbabwe-two-lithium-mines-shut-down-for-operating-without-environmental-impact-assessment-certificates/> (Accessed: 11 June 2025).; Khumalo, T. (2023) 'Chinese lithium miner back unsettles Mutoko villagers', *NewsDay*, 10 May. Available at: <https://www.newsday.co.zw/thestandard/local-news/article/200018647/chinese-lithium-miner-back-unsettles-mutoko-villagers> (Accessed: 14 June 2025).

31 Business & Human Rights Resource Centre. (2023, January 10). Zimbabwe artisanal miners association raises concerns about lack of consultation on decision to ban exports of raw lithium, arguing it will fuel smuggling of the mineral. Available at: <https://www.business-humanrights.org/en/latest-news/zimbabwe-artisanal-miners-association-raises-concerns-about-lack-of-consultation-on-decision-to-ban-exports-of-raw-lithium-arguing-it-will-fuel-smuggling-of-the-mineral>

32 AfriPoli (2024) *Lithium mining and national economic development in Zimbabwe*. Available at: <https://afripoli.org/projects/green-minerals/lithium-mining-and-national-economic-development-in-zimbabwe/> (Accessed: 16 June 2025).

33 Zimbabwe Environmental Law Association (2024) *Displacement without justice: A review of FPIC violations in Zimbabwe's lithium belt*. Harare: ZELA.

34 Center for Natural Resource Governance (2024) *Communities at risk: Socio-environmental costs of lithium mining in Zimbabwe*. Harare: CNRG.

35 Ibid.

36 Chronicle, 2023. *Zulu Lithium shines: Mining project uplifts Pioneer Village with improved homes, education, and employment*. [online] Chronicle. Available at: <https://www.chronicle.co.zw/zulu-lithium-shines-mining-project-uplifts-pioneer-village-with-improved-homes-education-and-employment/>. [Accessed 30 June, 2025].

37 Center for Natural Resource Governance (2024) *Communities at risk: Socio-environmental costs of lithium mining in Zimbabwe*. Harare: CNRG.

38 Business & Human Rights Resource Centre, 2023. *Zimbabwe: Two lithium mines shut down for operating without Environmental Impact Assessment certificates*. [online] Available at: <https://www.business-humanrights.org/en/latest-news/zimbabwe-two-lithium-mines-shut-down-for-operating-without-environmental-impact-assessment-certificates/> [Accessed 5 September 2025].

39 CIVICUS (2025) The new NGO law is a political weapon targeting civil and political rights work. [online] Available at: <https://lens.civicus.org/interview/the-new-ngo-law-is-a-political-weapon-targeting-civil-and-political-rights-work/> (Accessed: 11 August 2025)

40 Reuters (2024) Miner Sinomine decries tough Zimbabwe conditions amid lithium price slump. [online] 1 October. Available at: <https://www.reuters.com/markets/commodities/miner-sinomine-decries-tough-zimbabwe-conditions-amid-lithium-price-slump-2024-10-01/> (Accessed 3 June 2025).

41 Reuters (2024). Miner Sinomine decries tough Zimbabwe conditions amid lithium price slump. [online] 1 October. Available at: <https://www.reuters.com/markets/commodities/miner-sinomine-decries-tough-zimbabwe-conditions-amid-lithium-price-slump-2024-10-01/> (Accessed 12 June 2025).

42 Premier African Minerals (2025). Zulu Project. [online] Available at: <https://premierafricanminerals.com/zimbabwe/zulu-project> (Accessed 12 June 2025).

the Bikita mine have been affected by frequent power outages and transportation bottlenecks.⁴³

LEGAL AND REGULATORY FRAMEWORK FOR ZIMBABWE'S LITHIUM SECTOR

The legal framework covering the lithium sector builds on the existing legal framework, which applies to mining more generally. This framework includes the Mines and Mineral Act, Minerals Corporation of Zimbabwe Act and the Base Control Act. The summary of these Acts is presented below:

- a. **The Mines and Minerals Act [Chapter 21:05]**⁴⁴ is the primary legislation governing the mining sector in Zimbabwe. It governs the establishment of the Mining Affairs Board and the rights and duties of persons involved in mining operations, as well as the payment of fees, royalties and other charges, and the inspection and safety of mining operations.
- b. **Minerals Corporation of Zimbabwe Act [Chapter 21:04]** provides for the establishment, functions, powers and duties of the Minerals Marketing Board. The Board provides for the control and regulation of the export, sale and stockpiling of minerals.
- c. **Base Minerals Export Control Act 21:01.** It regulates and prohibits the export of minerals including lithium, which is specified under the lithium ore Policy of 2023. Its statutory instrument 213 of 2022 and SI5 of 2023 banned the export of unprocessed or unbeneficiated raw lithium ore and base minerals, except under the written permission of the government.
- d. **Environmental Management Act [Chapter 20:27]** – provides for the sustainable management of natural resources and protection of the environment.
- e. **Water Act – [Chapter 20:24]** – provides the legal framework for managing and protecting Zimbabwe's water resources, making it highly relevant to the country's growing lithium mining sector. Lithium projects such as Arcadia, Bikita, and Zulu require large volumes of water for ore processing, concentration, and tailings management, and the Act stipulates that mining companies must obtain permits from the Zimbabwe National Water Authority (ZINWA) before abstracting water from rivers or underground sources. The law also regulates effluent discharge, requiring approval for

the release of wastewater and chemical residues to prevent pollution of rivers and catchments. In addition, Water Catchment and Sub-Catchment Councils play a role in allocating water rights and balancing competing needs between mining, agriculture, and communities.

For the lithium sector, compliance with the Water Act has significant economic and social implications. Mining companies raise concerns about the additional operational costs involved as a result of the need to invest in water permits, levies, and wastewater treatment systems. Given the high-water demand of lithium beneficiation plants, there is growing potential for conflicts with local communities who depend on the same water sources for domestic and agricultural use. Effective enforcement of the Act is therefore crucial to preventing resource depletion, pollution, and community grievances, making water governance a central consideration in the sustainable development of Zimbabwe's lithium industry.

Key institutions in the award of mining licences in the lithium sector:

- **The Minister and the Ministry of Mines and Mining Development** is responsible for the issuing of certain mining titles, licences, approvals and orders under the Mines and Minerals Act, the Gold Trade Act [Chapter 21:03], the Precious Stones Trade Act [Chapter 21:06] and the Base Minerals Exports Act [Chapter 21:01].
- **The Mining Affairs Board** is responsible for granting certain mining rights, the withdrawal or cancellation of such rights, the approval of certain agreements and transactions in the mining sector and making recommendations to the Minister and/or the President concerning the granting or withdrawal of certain mining titles.
- **The Environmental Management Agency (EMA)** is responsible for regulating the environmental aspects of mining, including granting the environmental impact assessment certificates required before mining projects can commence.

The steps required to establish mining rights in lithium are traced out overleaf. As much as these steps are clearly defined, there are gaps that have been exploited within the mining sector.

⁴³ Mining.com. (2023). 'China drives African lithium surge to lock in key battery metal.' *Bloomberg News* [online] Available at: <https://www.mining.com/web/china-drives-african-lithium-surge-to-lock-in-key-battery-metal/>. (Accessed: 12 May 2025). Also see <https://chinaglobalsouth.com/analysis/china-africa-duty-free-minerals-value-chain-gap/>.

⁴⁴ The Act is currently undergoing reform. There are proposals to overhaul the mining structure with key reforms including streamlining the licenses to 3, providing for a mining cadastre registry and provisions for Environmental, Social and Governance standards.

Table 3: Mining licensing Process Flow and Actors

Process Stage	Responsible Actor(s)
<p>Prospecting</p> <p>A prospecting licence is required as the first step, which is acquired at the Provincial Offices for the Ministry of Mines and Mineral Development. Amongst other documents they are required to submit, potential investors must submit company documents and pay a gazetted fee. The prospecting licence is valid for two (2) years and allows licence holders prospecting and pegging rights anywhere in Zimbabwe.</p>	<p>Ministry of Mines and Mineral Development</p> <p>Provincial Officers within the Ministry of Mines and Mineral Development</p>
<p>EIA Process for Lithium Mining in Zimbabwe:</p> <p>Upon receiving a prospectus, investors can appoint an agent to lead the process for application of an environmental assessment. The process of EIA is indicated below:</p> <ul style="list-style-type: none"> • Prospectus Preparation: This step involves preparing a prospectus – a concise document detailing the project's description, location, baseline environmental conditions, anticipated environmental impacts, proposed mitigation measures, project cost, and legal framework. This document must be submitted to the Environmental Management Agency (EMA) for review. • Public Consultation: The prospectus submission to the Environment Management Agency, public consultations are conducted to gather input from stakeholders, including local communities, district administration, rural district councils, and relevant authorities such as the Zimbabwe National Water Authority (ZINWA), Forestry Commission, and Agritex. This phase ensures that the concerns of all affected parties are considered. • Full EIA Study: Once the prospectus is approved, a comprehensive EIA study is commissioned. This study, conducted by a registered EIA consultant, assesses the potential environmental impacts in detail and proposes mitigation strategies. The full EIA report is then submitted to EMA for evaluation • Review and Certification: EMA reviews the full EIA report to determine whether the proposed mining project complies with environmental standards. If the project meets the required criteria, EMA issues an EIA certificate, granting approval to proceed with the mining activities 	<p>Environmental Management Agency</p> <p>Forestry Commission</p> <p>Zimbabwe National Water Authority</p> <p>Traditional Leaders</p> <p>Community members</p> <p>Rural District Councils</p> <p>District Development Coordinators</p> <p>ZEDTC</p> <p>Ministry of Roads</p>
<p>Pegging</p> <p>When a Prospecting Licence holder has identified a mineral deposit that they are interested in, they are expected to physically peg the area by marking the deposit with a Discovery Peg. The licence holder should also post Prospecting, Discovery and Registration Notices on the ground.</p>	<p>Provincial Officers within the Ministry of Mines and Mineral Development</p> <p>Environmental Management Agency</p>
<p>Registration of the Lithium Mining Claim</p> <p>An application for registration must be submitted to the Provincial Mining Director. The application must have copies of relevant documents. If the Provincial Mining Director is satisfied that all pegging procedures have been followed, they shall issue a certificate of registration upon payment of the gazette fee.</p>	<p>Ministry of Mines and Mineral Development</p>

GOVERNANCE RISKS

Priority risk 1: Steps and processes in the accessing and granting of awards is not time-specific

The lack of clear timelines in awarding lithium mining rights in Zimbabwe fuels corruption, as officials can demand bribes to speed up or delay approvals. The Mines and Minerals Act [Chapter 21:05] lacks specific timelines for the processing of mining applications, which grants officials significant discretionary power. This regulatory gap creates opportunities for delays or the acceleration of approvals based on personal interest, thereby increasing the risk of corruption and the preferential treatment of politically connected individuals. It creates uncertainty for investors and enables politically connected individuals to gain unfair access to resources.

This delays project development and increases the risk of overlapping claims and disputes. Weak public oversight limits accountability, while rushed or manipulated approvals can result in harm to communities and the environment. Overall, the lack of time specification in the system undermines transparency and equitable development in the sector.

Priority risk 2: There is excessive scope of political interference

Political interference is a significant issue in the licensing and awarding of mining rights in Zimbabwe's lithium sector, which extends to acquisition processes in the sector. High-level political actors have been known to influence which companies receive mining concessions and how these concessions are acquired by outside firms, bypassing standard procedures and undermining transparency. This can result in licenses being awarded to politically connected elites or foreign investors with close ties to government officials, regardless of their technical or financial capacity.

This interference distorts fair competition, weakens institutions like the Ministry of Mines and the Mining Affairs Board, and erodes public trust. It also sidelines community interests and increases the risk of corruption, resource mismanagement, and elite capture — ultimately depriving the country of greater socio-economic benefits of its lithium resources.

45 Cite (2024) Gwanda villagers cry foul: Mine polluting water, ruining lives. [online] Available at: <https://cite.org.zw/gwanda-villagers-cry-foul-mine-polluting-water-ruining-lives/> [Accessed 2 August 2025].

Priority risk 3: Community participation and stakeholder buy-in is compromised

Community participation is often compromised by a lack of genuine consultation, information sharing and transparency. Mining companies frequently proceed with exploration and operations without securing the free, prior, and informed consent (FPIC) of affected communities. Moreover, Environmental and Social Impact Assessments (ESIAs), which are legally required, are often superficial or conducted without meaningful local involvement. In some areas, Chinese companies have tended to downplay or understate the impacts of their projects in communities. For example, the ESIA report for Dinson Iron and Steel Company (DISCO) for Gwanda lithium understated water impacts, lacking a robust environmental management plan to manage that specific impact.⁴⁵

As a result, communities may remain unaware of project impacts and be excluded from decisions that directly affect their land and resources leading to involuntary displacement, inadequate or no compensation, and the erosion of communal livelihoods. In other areas, traditional leaders and local authorities have been co-opted or bypassed, leaving communities without proper representation. Furthermore, civil society organisations and local governments are frequently marginalised in key decision-making processes, weakening their ability to advocate for the rights of residents and hold both companies and state actors accountable.

The failure to secure community buy-in has created mistrust, sparked local protests, and increased the risk of social conflict around lithium projects. As communities witness foreign investors extracting wealth while local development remains stagnant, resentment grows. The lack of inclusion of local communities not only undermines social justice but also presents a significant threat to the long-term sustainability, legality, and reputational standing of Zimbabwe's lithium industry. For the sector to thrive equitably, transparent and participatory governance mechanisms must be urgently strengthened.

Priority risk 4: Undisclosed Environmental and Impact Assessments

The failure to disclose Environmental and Social Impact Assessments (ESIAs) in Zimbabwe's lithium sector has led to serious consequences for transparency, environmental protection, and the rights of local communities. ESIAs are legally required to inform stakeholders of the potential environmental and social impacts of mining projects, yet in many lithium-rich areas like Goromonzi, Bikita, and Buhera, these assessments are only partially shared. As a result, affected communities often remain unaware of critical details about how mining will affect their land, water sources, air quality, and livelihoods. According to civil society organisations in Goromonzi, villagers reported that lithium mining activities began before they were consulted or informed of any environmental studies, leading to confusion and resentment.

The lack of publicly available ESIAs also hampers environmental accountability. Without transparency, there is a higher risk of pollution, poor waste management, and ecosystem damage going unchecked. In Bikita, after Sinomine Resource Group took over Bikita Minerals, community members raised concerns about water contamination and dust emissions, but found it difficult to access environmental reports or lodge formal complaints. This opacity makes it nearly impossible for civil society or local government to monitor compliance or push for corrective actions, allowing mining companies to operate without meaningful oversight.

Moreover, undisclosed ESIAs contribute to rising tensions and distrust between communities, companies, and the state. In Buhera District, reports indicate that villagers protested after discovering that lithium exploration was approved without their input, and no environmental assessment had been shared.⁴⁶ These situations not only disrupt mining operations but also damage the credibility of regulatory institutions. To avoid conflict, environmental harm, and reputational damage, there is an urgent need to make all ESIAs accessible, enforce public consultations, and ensure that local voices are meaningfully incorporated into decision-making processes.

46 CNRG Zimbabwe (2024). Lithium rush in Buhera severely affects local community. [online] Available at: <https://cnrgzim.org/news/lithium-rush-in-buhera-severely-affects-local-community/> (Accessed 12 June 2025).

47 Inside Climate News (2023) Corruption and Rights Abuses Are Flourishing in Lithium Mining in Zimbabwe. [online] 15 November. Available at: <https://insideclimatenews.org/news/15112023/lithium-mining-africa-human-rights-violations-corruption/> (Accessed: 10 September 2025).

48 Inside Climate News (2023) Corruption and Rights Abuses Are Flourishing in Lithium Mining in Zimbabwe. [online] 15 November. Available at: <https://insideclimatenews.org/news/15112023/lithium-mining-africa-human-rights-violations-corruption/> (Accessed: 12 July 2025).

49 CNRG (no date) Patronage, Power and Plunder: Corruption digs deeper in Zimbabwe's mineral sector. Available at: <https://cnrgzim.org/news/patronage-power-and-plunder-corruption-digs-deeper-in-zimbabwes-mineral-sector/> (Accessed: 10 September 2025).

Priority risk 5: Rent-seeking behaviour within the public sector

Special mining grants have been awarded without open competition, with reports from ZELA (2021) indicating that informal payments were often a prerequisite for fast-tracking these approvals.⁴⁷

The consequences of rent-seeking extend beyond unfair competition. Many smaller mining companies report delays and increased operational costs due to bribery demands by bureaucrats within the Ministry of Mines and local authorities. This creates an unpredictable business environment that discourages investment, stifling the growth of Zimbabwe's lithium sector. Additionally, officials have been accused of manipulating Environmental and Social Impact Assessment (ESIA) approval processes by soliciting bribes to overlook environmental violations or hasten approvals, which compromises environmental protections and community safety.⁴⁸

Political patronage plays a crucial role in perpetuating rent-seeking in the sector. Mining rights and contracts are frequently awarded to politically connected individuals or companies affiliated with ruling party elites, bypassing established procedures.⁴⁹ This practice not only entrenches corruption but also erodes public trust in state institutions. Moreover, companies unwilling or unable to participate in these corrupt exchanges often face deliberate delays or denial of services.

Overall, rent-seeking within Zimbabwe's lithium sector weakens governance, deters honest investment, and limits the sector's potential to contribute to inclusive national development. The resulting inefficiencies and injustices fuel social tensions and deepen inequality in resource-rich communities. Addressing these challenges requires strengthening institutional accountability, enhancing transparency in licensing and environmental approvals, and promoting equitable access to mining opportunities.

RECOMMENDATIONS

Recommendation 1: Establish clear timelines and procedures in lithium mining rights awarding processes

- Establish legally binding deadlines specifically for lithium mining rights applications to reduce delays and corruption risks in this strategic sector. For example, set a maximum of 60 days for initial processing and 90 days for final approval of lithium licenses.
- Develop a dedicated online licensing portal tailored for lithium sector applications, allowing applicants to track progress and submit documentation transparently, reducing opportunities for bribery linked to manual processes.
- Maintain a publicly accessible lithium mining license registry, updated in real time, to enhance transparency and enable civil society monitoring of lithium-specific mining rights.
- Create an independent oversight committee focused on lithium sector licensing, with a mandate to audit processing timelines and publicly report any irregularities.

Recommendation 2: Ensure clear criteria to safeguard lithium mining licensing and awarding from political interference.

- Enforce merit-based, transparent criteria for lithium mining rights that prioritise technical and financial capacity, environmental compliance, and community benefits to limit politically motivated awards.
- Mandate parliamentary oversight of all major lithium sector deals, including foreign investments, to ensure thorough scrutiny and public debate before approval.
- Require full disclosure of all lithium mining rights transactions to public registries to enhance accountability and track changes in ownership or control.

Recommendation 3: Ensure adequate community participation and stakeholder buy-in in lithium projects.

- Institutionalise Free, Prior and Informed Consent protocols explicitly for lithium mining projects, ensuring communities impacted by lithium exploration and extraction are meaningfully consulted and consent obtained before operations begin. The Ministry of Mines can use the ongoing process of amending the Mines and Minerals Act by incorporating FPIC provisions.
- Strengthen requirements for Environmental and Social Impact Assessments in the lithium sector, mandating community-led consultations and transparent disclosure of potential impacts.
- Empower local authorities, traditional leaders, and civil society organisations involved in lithium mining areas with resources and training to engage effectively in governance and oversight.
- Develop legally binding benefit-sharing frameworks for lithium mining communities that ensure fair compensation, development projects, and livelihood restoration.
- Establish accessible grievance mechanisms specialised for lithium sector disputes to address community concerns promptly and fairly.

Recommendation 4: Ensure environmental and social impact information for lithium mining is transparent and accessible

- Legislate compulsory public disclosure of full ESIA's related to lithium mining, including exploration and production phases, to enhance transparency and informed stakeholder engagement.
- Set up independent ESIA review boards with expertise in lithium mining's unique environmental challenges (e.g., chemical waste, water use) to evaluate assessments critically.
- Support community-based environmental monitoring programs in lithium mining regions to detect and report pollution or non-compliance issues effectively.
- Strengthen the Environmental Management Agency's (EMA) resources and enforcement powers focused on lithium mining activities, ensuring swift action against violations.



Photo: Supervising night shift at ball mill and processing plant at dusk, Freda Rebecca Gold Mine Bindura Zimbabwe. Source: Greenshoots Communications/alamy.

Recommendation 5: Strengthen regulations to curb rent-seeking behaviour in lithium sector governance

- Automate lithium sector licensing and approval workflows to minimise discretionary decision-making and reduce corruption opportunities.
- Implement robust whistleblower protections and confidential reporting mechanisms tailored to expose rent-seeking in lithium mining governance.
- Provide ongoing ethics and anti-corruption training specific to officials managing lithium mining affairs, including licensing, environmental approvals, and community relations.
- Ensure transparent, competitive bidding for lithium mining contracts and special mining grants, with detailed public disclosure of award criteria and outcomes.
- Foster civil society and media engagement in monitoring lithium sector governance, equipping them with information access and protection necessary to hold actors accountable.
- Create specialised anti-corruption units focusing on the lithium sector within regulatory agencies to investigate and prosecute corrupt practices effectively.

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