



USAID
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USAID/ZAMBIA

ECONOMIC DEVELOPMENT & ENVIRONMENT

USAID's approach to reducing rural poverty in Zambia is based on three pillars: enhancing the business-enabling environment, strengthening rural enterprises, and sustainably managing Zambia's natural resource base. These programs also improve water, sanitation, and hygiene (WASH) services and nutritional outcomes.

USAID has embarked on an ambitious journey to partner more substantively with the Government of the Republic of Zambia (GRZ), engage Zambia's robust civil society, and leverage private-sector partnerships where priorities overlap. In line with USAID's focus on supporting Zambia on its path beyond development assistance, USAID strives to engage new, local, and underutilized partners; enhance their skills and potential; and set them on a path to address some of Zambia's most significant development challenges.

Enabling Businesses to Grow and Thrive

USAID recognizes that businesses play an important role in raising incomes, providing livelihood opportunities, and reducing poverty in Zambia. USAID supports small and medium-sized enterprises (SMEs) by addressing key investment constraints: access to finance, business management skills, technology utilization, and access to markets. USAID's goal is to raise SMEs' productivity and increase their ability to create new jobs.

USAID also partners with the GRZ to improve the business-enabling environment in Zambia and establish more sustainable, market-driven alternatives to donor resources in focal sectors, such as energy, eco-tourism, agriculture, and water and sanitation, including digital solutions including market-based approaches.

Expanding Markets and Trade

Through Prosper Africa, USAID engages private and public sector organizations, business and industry associations, and financial institutions to deepen regional economic integration and promote trade and investment between the United States and Zambia. Working with the GRZ and private sector associations, USAID helps to streamline and expedite commercial and trade processes to catalyze economic growth for the country. USAID investments help position Zambia as a commercial and economic hub for the Southern African region through improvements to Zambia's trade and business policies and regulations, enhanced customs and border control systems, and promoting catalytic financing to boost trade and bring more foreign direct investment to Zambia.

Powering Communities' Prosperity

Reliable electricity helps to drive economic growth. However, Zambia faces frequent and recurring power blackouts across the country. Moreover, 85 percent of electricity in Zambia comes from hydropower, which is particularly affected by climate change-induced droughts and flooding. Through the Power Africa initiative, USAID seeks to increase the generation of, and access to, clean energy sources, particularly in rural and off-grid spaces. Power Africa helps to attract increased private sector investment in the electricity sector by expanding generation, increasing connections, and improving the enabling environment. USAID's efforts are particularly focused on interventions that catalyze investments in other sectors, such as providing solar energy to health clinics and connecting agribusinesses to off-grid power solutions.

Improving Natural Resource Management

Poaching, illegal logging, charcoal production, over-harvesting, and habitat degradation threaten Zambia's rich forests and wildlife. USAID is partnering with private sector actors to find market solutions to Zambia's environmental challenges. By combining sustainable management approaches for forests and wildlife with profitable and climate-smart agriculture, USAID works to alleviate the poverty that serves as one of the main drivers of natural resource degradation. USAID also supports alternative energy sources to address the reliance on charcoal that drives deforestation and forest loss. USAID supports the GRZ to improve the management of natural resources, providing a long-term, sustainable platform for broad-based economic growth and poverty reduction in rural areas. This is accomplished through community- and partnership-based natural resource management models that place communities as principal partners and beneficiaries.

Improving Access to Water and Sanitation

The availability of safe water, sanitation, and hygiene (WASH) services remain low in Zambia. Out of a population of 19.6 million, an estimated 6.3 million (32 percent) Zambians lack access to basic water services and 10.4 million (53 percent) lack access to basic sanitation services. USAID investments are designed to improve access to WASH services as part of the multidisciplinary Most Critical Days Program (MCDP), ensuring that nutrition gains are amplified. To advance learning and build strong evidence for this approach, USAID supports the research and evaluation agenda of MCDP. Recognizing the role of service providers, USAID also supports the GRZ and water supply and sanitation companies to access financing so they can improve the quality and reach of WASH service delivery by improving their internal efficiencies, domestic resources mobilization, and creditworthiness.

Improving Nutrition for Children

Undernutrition is still the underlying cause of 45 percent of child deaths and 20 percent of maternal

deaths. The 2018 Zambia Demographic Household Survey found that 35 percent of children under age five are chronically malnourished. As a result of poor nutrition, repeated infection, and inadequate psychosocial stimulation, these children’s learning can be hindered, limiting their ability to participate fully in their country’s social, economic, and political life. USAID supports the GRZ’s 1,000 Most Critical Days Program, referring to the first 1,000 days of life after birth where good nutrition is most critical to physical and mental development to reduce stunting in 30 districts. USAID also works to improve the GRZ’s ability to plan, advocate, learn, and measure impact. Further, USAID works with communities and families to ensure health, nutrition, food security, and economic growth are integrated into all activities. Special attention is given to expanding opportunities for women living in extreme poverty to become producers, service providers, and entrepreneurs.