



USAID/Zambia Private Sector Engagement

At USAID, we recognize that working with the private sector is a necessity. We seek active partnerships to shape solutions for a sustained impact that aligns with our private sector partners' long-term interests and growth strategies. Guided by our 2019-2024 Country Development Cooperation Strategy for Zambia, we actively partner with private sector entities towards transformative and sustainable gains in effective, citizen-responsive governance; rural poverty reduction and sustainable natural resource management; quality health, water and sanitation, and social protection services; and access to high-quality primary education.

USAID seeks private sector partners to advance Zambia's development goals through a Private Sector Engagement (PSE) approach. This approach plans and co-creates activities and programs that promote economic growth and development by leveraging the power of the private sector. USAID's PSE strategy focuses on four key areas:

1. **Creating an enabling environment:** USAID works with the Government of the Republic of Zambia (GRZ) and other stakeholders to create an environment conducive to private sector growth. This includes improving the legal and regulatory framework, promoting transparency and accountability, and enhancing access to finance.
2. **Strengthening small and medium enterprises (SMEs):** USAID supports SMEs by providing access to finance, technical assistance, and market linkages. This helps them grow and become more competitive, which in turn creates jobs and contributes to economic growth.
3. **Promoting entrepreneurship:** USAID supports entrepreneurship by providing training, mentorship, and networking opportunities to aspiring entrepreneurs. This helps to create a pipeline of innovative businesses that can drive economic growth and job creation.
4. **Encouraging investment:** USAID works to attract and facilitate foreign and domestic investment in Zambia. This includes providing information and resources to investors, facilitating partnerships between investors and local businesses, and supporting the development of investment-friendly policies.

USAID PSE Programs in Zambia

ECONOMIC DEVELOPMENT AND ENVIRONMENT ACTIVITIES

Enterprise Development and Growth Enhanced (EDGE) improves access to finance by mitigating investors' risk, supporting small and emerging firms to develop business models, and providing pre-investment support/deal packaging. The activity is designed to increase profits for agricultural SMEs—particularly women—who often struggle to access financing, lack business management skills and technology, or have limited access to markets. Recently, this support led to the approval of over \$4.5 million in bank loans and over \$4 million in bank pipeline deals for SMEs.

The **Business Enabling Project (BEP)** creates a gender-equitable business-enabling environment across multiple sectors. BEP collaborates with the Public-Private Dialogue Forum (PPDF)—an initiative that links public and private sector actors to remove bottlenecks in the business-enabling environment and amplify the private sector's voice in policy formation.

With a focus on green growth, **USAID TradeBoost** co-invests with private-sector partners to increase gender-equitable trade and investment for Zambian enterprises, domestically, regionally, internationally, and to and from the United States. It seeks to increase access to market development and information; facilitate trade deals and provide targeted technical assistance; and improve access to finance and investment opportunities.

The **Eastern Kafue Nature Alliance project and Luangwa Livelihoods and Conservation project** are two multi-sectoral projects that collectively leverage over \$21 million of private sector contributions to protect the Kafue and Luangwa National Parks by providing livelihoods; advancing eco-tourism and agriculture; and improve access to safe water, sanitation, and health services.

The **Alternatives to Charcoal (A2C)** project supports the GRZ to strengthen the policy space for increased private investment in alternative energy. Transitioning consumers from charcoal to cleaner alternatives helps reduce deforestation and greenhouse gas emissions.

The **Expanding Water and Sanitation project** works with the private sector to leverage reach, innovation, and long-term commercial interests to provide sustainable water, sanitation, and hygiene (WASH) services in Muchinga, Northern, Southern, and Western Provinces, focusing on peri-urban and

rural areas. The project is designed to grow private sector participation in WASH service delivery by 30 percent in target districts and increase the proportion of people who have access to safe water by 15 percent.

USAID EDUCATION ACTIVITIES

Let's Read Project supports the Ministry of Education to improve the reading skills of 1.4 million children in pre-primary through Grade 3, in nearly 5,000 public and community primary schools in five target provinces. Recently, the project brokered a partnership with a private publishing house, resulting in a \$2.4 million contribution to procure over 1.4 million supplementary readers.

Edufinance increases access to primary education and mobilizes capital for low-cost private schools in selected provinces. To date, the project has leveraged \$1.3 million through private sector partners.

USAID DEMOCRACY, HUMAN RIGHTS, AND GOVERNANCE ACTIVITIES

Local Impact Governance responds to the GRZ's decentralization strategy to strengthen local-level participatory governance and the fiscal capabilities of local authorities for improved development planning, monitoring, and sustainable results through effective citizen and private sector involvement.

Revenue for Growth supports the GRZ's domestic revenue mobilization objectives and incorporates a strong focus on improving public-private dialogue on tax policy and administration.

USAID HEALTH ACTIVITIES

The **Zambia Accessible Markets for Health (ZAM-Health)** project facilitates enhanced private sector demand and supply and an environment that will ultimately advance Zambia's health market system's sustainability, equity, and resilience. The project aims to overcome the root causes of market system challenges and maximize opportunities through greater emphasis on PSE and market-based approaches.

District Coverage of Health Services employs a system in which all sectors—public, subsidized, and commercial—partner to deliver health choices for all Zambians and generates room for the private sector to increase access to health products and services.

The **President's Malaria Initiative (PMI)** recently supported the Ministry of Health to conduct a private-sector assessment and: 1) develop an inventory of private-sector involvement in malaria programming; 2) document malaria interventions implemented by the private sector; and 3) determine the level of private-sector financial, technical, and human resources investment. It is currently partnering with Zambia's pioneering End Malaria Council to mobilize private sector resources for malaria elimination.