

Zambia

Population: **16 million**
GDP Growth: **3% (2016 est.)**
GDP/Cap (PPP): **\$3,900 (2016 est.)**
Unemployment: **15% (2008 est.)**
Ease of Doing Business: **85**

ENERGY SECTOR OVERVIEW

Zambia has 2,800 MW of installed electricity generation capacity, of which 85% is hydro based. National access to electricity averages at 31% with 67% of the urban and 4% of the rural population having access to power. In 1996, the Government of Zambia set a goal for universal electricity access for all Zambians by 2030. Energy has been identified as an important driving force behind economic development in Zambia, and the government has declared its commitment to developing and maintaining energy infrastructure and services. Although there are pockets of private sector activity in generation, transmission, and distribution, the vast majority of power in Zambia is operated by ZESCO, the vertically integrated state-owned utility. However, the sector is opening up to new IPPs for on-grid and off-grid transactions. GOZ expects to bring online additional MW of solar, hydro, and thermal power through 2020.



GENERATION CAPACITY

Installed Capacity: 2,800 MW

- Hydro: 2,380 MW (85%)
- Non hydro (Coal, Heavy Fuel Oil, others): 405 MW (15%)

Power Africa New MW to Date

- Reached Financial Close: 120 MW
- 2020 Target: 900 MW
- Current Pipeline: 1,085 MW



CONNECTIONS

Current Access Rate: 31%

- Rural: 4% Urban: 67%

Households without Power: 7.2 million

- Target: Universal access by 2030

Power Africa New Off-Grid Connections 238,400

- 2020 Target: 1 million connections

INVESTMENT AND ENABLING ENVIRONMENT

Biggest Issues and Bottlenecks

1. Continued market-based reforms
2. Credit-worthiness of off-taker
3. Growing government debt
4. Transmission and distribution capacity lag

Power Africa Interventions

1. Policy support through embedded advisors, donor coordination, and the South Africa Energy Program
2. Support of Scaling Solar and off-grid initiatives
3. DCA guarantee to strengthen distribution network



POWER AFRICA'S ENGAGEMENT IN ZAMBIA

OVERVIEW

During 2017, Power Africa has made marked progress to support Zambia's power sector development. Power Africa assisted the Energy Regulation Board (ERB) with development of Multi-Year Tariff Framework (MYTF) Procedures, Rules and Regulations to enable ERB to set tariffs in advance over a three-year period to allow conditional adjustments in tariff changes to be factored into the utility. Power Africa also placed a Senior Energy Policy Advisor in the Ministry of Finance to advise on critical policy developments, and a Senior Technical Advisor in ZESCO who works to build systems and capacity for the integration of intermittent renewable energy sources (e.g. solar and wind). At the end of 2016, the United States Agency for International Development (USAID) with the Ministry of Energy and the regulator developed a Renewable Energy Feed-In Tariff (REFIT), complete with a standardized Power Purchase Agreement.

MW GENERATION

In March 2016, Power Africa and USAID Zambia provided \$2 million to support the International Finance Corporation's (IFC) Scaling Solar program in Zambia, which is expected to result in up to 100 MW of new solar power. This support helps finance the critical costs necessary to establish and implement a transparent, competitive bidding process to attract qualified solar power developers and to build institutional capacity and catalyze market growth. In 2017, the United States Trade and Development Agency (USTDA) provided feasibility funding for two private sector developers that aim to advance 20 MW of geothermal generation capacity and 130 MW of wind generation.

CONNECTIONS

USTDA also provided feasibility funding for 150 micro-grids that will provide electricity connections to 22,500 households. The United States African Development Foundation (USADF), through the USADF Off-Grid Challenge, provided \$100,000 to support a solar micro-grid, which was commissioned and will initially supply electricity to a school, rural health center, and 60 households.

ABOUT POWER AFRICA

Power Africa is comprised of 12 U.S. Government Agencies, 140 private companies, and 17 bilateral and multilateral development partners to support sub-Saharan governments by working together to increase the numbers of people with access to power. Power Africa's goal is to achieve 30,000 MW of new generated power and 60 million new connection by 2030 to reach 300 million Africans.

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