

# OP-ED:

# UNITED STATES OF AMERICA'S PARTNERSHIP WITH ZAMBIA: AVAILABLE SECTOR OPPORTUNITIES FOR ZAMBIA'S DEVELOPMENT

## Zambia's Development

The United States of America (USA) Vice-President Kamala Harris, during her nine-day African tour, visited Ghana, Tanzania and Zambia. The visit was part of the ongoing efforts of the United States of America to restructure its partnership with the African Continent. **The two-day visit to Zambia was aimed at demonstrating the United States' commitment to enhancing its cooperation with the country. It was announced that the United States Government intends to provide more than US\$505 million in bilateral assistance during the 2024 fiscal year.** The assistance is earmarked towards economic transformation, expanded global health, innovations towards climate change solutions as well as increased investments in democracy and governance programming. What follows are benefits that Zambia will harness in light of the intended bilateral assistance.

## Debt Restructuring

The country is facing delays in debt restructuring with its external creditors, which include China and Eurobond holders. The United States Vice-President made a pledge to help Zambia with its debt restructuring efforts. Currently, the United States and the International Monetary Fund (IMF) have been pushing China for the declaration of intent by signing a non-binding Memorandum of Understanding (MOU) for Zambia. This pledge will heighten the already existing efforts and it is envisioned that the country will be able to restructure its debt given the urgency of the matter in order to restructure its economy and steer its economic transformation agenda.

## Trade and Economic Support

Zambia is poised to join five other countries in signing a Memorandum of Understanding (MOU) with the USA. Zambia's Ministry of Commerce, Trade and Industry and the United States Department of Commerce intend to sign a Memorandum of Understanding (MOU) to develop and implement commercial projects of strategic priority.

The signing of an MOU will stipulate the mutually accepted expectations of the two Governments as well as deepen and give practical results to the strategic partnership, such as the provision of technical support and capacity building. Currently, Zambia is eligible for preferential trade benefits under the African Growth and Opportunity Act (AGOA) which offers substantial incentives for African countries to continue their efforts to open their economies and build free markets. Therefore, this MOU is timely as it will provide more trade opportunities as well as incentives other than the ones stipulated within the Act.

The United States Government, through USAID and Prosper Africa's flagship Africa Trade and Investment (ATI), intends to launch a Fertilizer Fund at the cost of US\$1.5 million. The Fertilizer Fund intends to address the impacts of the Russia-Ukraine war and the global food security crisis by helping farmers access alternatives to Russian-sourced fertilizer. This Fertilizer Fund will also help to facilitate the movement of foodstuffs across borders, particularly in Southern and East Africa regional blocks. The Vice President also announced that the United States private sector will avail investments worth US\$7 billion to help Africa combat and adapt to the effects of climate change. This is timely, given that Zambia has experienced floods and droughts in some parts of the country. **The resources earmarked for Zambia will supplement Government's efforts in mitigating climate change effects by increasing agricultural production through climate-smart agriculture strategies and increased support for Disaster Risk Reduction.**

The U.S. Trade and Development Agency (USTDA) will support the expansion and reliability of Zambia's renewable energy infrastructure through more than US\$1 million in grant funding for a feasibility study that will help develop a utility-scale battery energy storage system. Zambia has a high dependency on hydro-electricity, which is vulnerable to the effects of climate change. As the country endeavours to enhance its energy mix, the United States' assistance towards the support of expansion and reliability of Zambia's

renewable energy will enhance the Government's efforts towards providing alternative energy sources.

## Governance Support

The goal of decentralising Zambia's administrative systems originates from the need for community participation in fostering the effective implementation of significant development programs. It was determined that citizens must have a certain degree of authority to contribute meaningfully to development programs and activities through active decision-making. **The United States Government has pledged US\$10 million towards the country's decentralization.** The Zambian Government is already on the right path regarding the devolution of Government functions. The United States' assistance towards decentralisation is key to enhancing Zambia's fiscal decentralisation.

The 2022 Global Gender Gap Report shows that Women's Political Empowerment Gap has only been closed by 22%.

**At the current rates of progress, it will take 155 years to close the Political Empowerment gender gap.** In Zambia, although women make up about 50.5% of the population, they have little representation when it comes to political participation and leadership. At Parliamentary level, women make up **15.4 %**, **17 and 10% of Members of Parliament, Cabinet Ministers and Provincial Ministers, respectively.**

The United States Government, through USAID, plans to provide US\$3.5 million to support Zambian civil society organisations to enable them spearhead key reforms and oversight activities that will deepen Zambia's democratic processes and support women's political participation.

**The program will promote electoral integrity by fostering greater independence, transparency, and effectiveness for the Electoral Commission of Zambia and improve the enabling environment for women in politics.**

Additionally, the United States Government will contribute **US\$3 million to enable USAID's participation in a new four-year Strengthening Good Financial Governance project with the Government of the Republic of Zambia.**

The project aims to strengthen the country's financial management systems. Strong public financial management processes and systems are essential for the effective and efficient delivery of public services, transparent public finances, and trust between government and citizens.

## Health Support

Health is a key component of human development. As Zambia endeavours to enhance its demographic dividend, it is imperative that the country has a healthy and productive population. **Over the next two years, the United States plans to deploy more than US\$372.1 million in appropriated funding and has requested an additional US\$387.9 million in the President's 2024 fiscal year Budget to be provided during this timeframe to continue this support which is subject to the availability of funds. In addition, the U.S. Government plans to support the Zambian healthcare system by providing equitable access to high-quality, client-centred, integrated health services.**



Sydney Mwamba - Acting PMRC Executive Director

**PMRC**  
Policy Monitoring and Research Centre  
info@pmrczambia.net | www.pmrzambia.com

