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A U.S. TRADE AND INVESTMENT INITIATIVE



TRADEBOOST ZAMBIA

Fact Sheet

To advance the Prosper Africa initiative, TradeBoost Zambia reflects USAID's \$30 million investment in the Africa Trade and Investment program. With this sizeable contribution, TradeBoost will work through the private sector to deepen overall development impact and drive gender-equitable economic growth.

In the last decade, the number of rural Zambians living in poverty has risen to more than 76 percent. The top three causes of rural poverty are low agricultural production, unemployment, and economic depression. The impact of COVID-19, declining trade, and droughts have affected the agriculture sector worsening conditions for most farmers. However, Zambia's economy is projected to grow by 1.0 percent in 2021 and 2.0 percent in 2022, underpinned by the recovery of several important sectors including mining, agriculture, and tourism.

The United States Agency for International Development's (USAID) Zambia Mission has made a \$30 million investment, known as the TradeBoost Zambia Activity, in the Africa Trade and Investment program. This funding leverages Prosper Africa resources to catalyze, expand, and accelerate two-way trade and investment between African nations and the United States. The Activity intends to also promote job creation, increase incomes, and boost the participation of women and youth in Zambia's economic development, ultimately decreasing rural poverty through green growth.

Initial funding will focus on agricultural-related trade and investments, followed by other sectors including ecotourism, clean energy, forestry and non-timber forest products, mining, and water, sanitation, and hygiene (WASH). As USAID's flagship effort under the Prosper Africa initiative, the USAID Africa Trade and Investment program will co-invest with private-sector partners to increase gender-equitable trade and investment for Zambian enterprises, domestically, regionally, internationally.

DELIVERING IMPACT

On June 29, 2022, TradeBoost Zambia officially launched with an announcement by USAID Administrator Samantha Power. Understanding the urgency to fast-track agricultural trade deals and investments ahead of the 2022/2023 planting season and soften the impact of the Kremlin's War in Ukraine as well as other shocks (COVID-19, conflict, and climate-related) on the African continent, the USAID Africa Trade and Investment program quickly activated the following trade deals:



FERTILIZER FUND FACILITY Currently shaping a \$20 million trade facility to strengthen Zambia's fertilizer supply chain, establish a supplier credit guarantee program, introduce alternative shipping agreements, and facilitate partnership with relief, donor, and corporate initiatives that aim to do the same thing. Through this facility, International Resource Materials (IRM), a U.S. firm based in Philadelphia, will supply 50,000 metric tons of fertilizers including ammonium sulphate to hub agro-dealer fertilizer firms in Zambia. Further, the ammonium sulphate will be sourced from Madagascar and replace ammonium nitrate and urea previously sourced, at a much higher cost, from Russia. Through this facility, USAID will also support last-mile distribution to agro-dealers, who can then get the fertilizer to farmers. This fertilizer is sufficient to support 100,00 farmers, one hectare each for a total of 100,000 hectares.



GRAIN DEALS Mobilized a rapid trade facility to spur Zambian grain exports to Kenya and Rwanda. Through these deals, two Zambian firms—Zdenakie and NewGrowCo—will export a combined 10,500 metric tons of maize, soybean, and wheat to Kenya valued at \$4.5 million. In addition, Zdenakie will export 7,000 metric tons of soybean to Rwanda valued at \$4 million. Two trade finance credit guarantee facilities of a combined \$500,000 will be activated with two financial institutions to support these deals. These will be revolving facilities that will enable more grain traders to export, with anticipated export figures reaching 30,000 metric tons.



MACADAMIA EXPORTS Structuring a macadamia deal with South African partner Foxfin Financial Services. This firm will invest \$4.5 million in the Zambia macadamia sector to buy a 165ha farm, develop irrigation system and install solar energy, creating 92 jobs, 75 of which are designated for women. Macadamia nuts are a high-value export, bringing in additional investment and further strengthening Zambia's role as Africa's breadbasket.

UPCOMING ACTIVITIES

Market Research, Intelligence, and Development

Working with existing sources of information on market demand and supply of agricultural products for trade in Zambia, market intelligence activities will consist of research, desk reviews and expert interviews to determine potential value chains for investment, investor climate, and areas of improvement to get Zambian companies ready for investment.

Technical Assistance and Trade Facilitation

Building on market intelligence, trade facilitation efforts will identify Zambian companies with the greatest potential to receive additional technical support that enable successful entry into new markets. Emphasis will be placed on promoting gender-equitable trade and supporting women-owned and led enterprises.

Improve Access to Finance

Coordinating with the market intelligence and technical assistance efforts, Zambia TradeBoost investment facilitation efforts will identify investors that might invest in Zambian businesses, connecting potential investors with investment-ready companies.

BUDGET: \$30 million

DURATION: Mar 2022 to Sept 2026

FOCUS GEOGRAPHY: Zambia

IMPLEMENTING PARTNER: DAI

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