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## Capacity Building Assistance for Rural Electrification



Multi-stakeholder working group facilitation for the Global Village Energy Partnership Program in Zambia. Organizations represented included Ministries of Energy, Water, Finance, local government in Zambia; Farmers' Union, small renewable energy service providers, Energy Regulatory Board, University of Zambia, and various NGOs and consumer groups.

Through its partnership with the Global Village Energy Partnership (GVEP) Working Group, the Government of Zambia aims to increase consumer confidence, improve governance, reform rural energy service delivery modalities, and increase private participation in energy service financing and delivery to its rural population.

GVEP is a voluntary Partnership that brings together developing and industrialized country governments, public and private organizations, multilateral institutions, consumers and others in an effort to ensure access to modern energy services by the poor.

USAID's capacity building activities are assisting Zambia, as one of the first countries to become a GVEP member country, to actively fulfill its goals of public participation and partnership development as part of the GVEP program.

One of the developmental challenges facing Zambia is access to modern forms of energy by the country's rural population. Only about 2 percent of the rural population (124,000 people out of 6.2 million) has access to electricity and this is despite the fact that the country is a net producer and exporter of hydro-electricity. Development in rural areas is also constrained by the lack of reliable modern energy to support large and small scale business as well as agricultural activities which could assist in reducing poverty. With USAID assistance, Zambia is taking an integrated approach to rural electrification, marrying rural energy supply with achieving sustainable rural development and poverty alleviation goals. Zambia is seeking to adopt best practices from other countries and regions, and to create an integrated market based approach towards providing energy to all of Zambia.

The capacity building and technical assistance support provided by USAID through U.S. based CORE International, Inc., has created a process by which key stakeholders in the country have come together to establish a Rural Energy Working Group (REWG) to develop a preliminary action plan for increasing rural energy services across the country (Zambia has a goal of 50% electrification by 2010).

This stakeholder working group has been established and mobilized to design and develop related policy, regulatory, institutional, and funding recommendations for the Government of Zambia. Specifically, the REWG has made specific recommendations to the Government of Zambia for (i) the development of a national rural energy policy, (ii) establishment of a Rural Electrification Authority (REA) to manage rural energy services, and (iii) formalization and fortification of the National Rural Electrification Fund with a transparent and accountable

management and governance. Currently, through the support provided by USAID, the Government is closely working with the World Bank in finalizing a \$100 million project -- Increased Access to Energy Services (IAES) -- with a primary focus on rural electrification and communications.

The recommendations made by the REWG have been adapted by the World Bank in its project appraisal.

This project is scheduled to start in September 2005. A preliminary optimistic estimation indicates that up to half a million households may receive access to electricity under the IAES project.

With USAID's further assistance, the REWG is expanding to become a national Global Village Energy Partnership (GVEP) Working Group and an important partner with the Government of Zambia for extending access of modern energy services to the rural population.

The GVEP Working Group is developing with the Government of Zambia a multi-year GVEP Action Plan that will facilitate the process for the donors, industry, and private investors to participate in implementing best practices for proven institutional and business models to achieve

accelerated rural electrification and poverty alleviation.

USAID, through its technical assistance and training, has been very instrumental in moving Zambia's rural electrification program forward. USAID has been a consistent and reliable partner in aiding Zambia to reach its goal of 50% electrification by 2010.



Zambian entrepreneur operates a battery charging business for customers who use car batteries for TV and home lighting.

Source: The World Bank Mission to Zambia – Aide Memoire, October 2003

For more information, contact USAID's Office of Infrastructure and Engineering, email Davida Wood: [dwood@usaid.gov](mailto:dwood@usaid.gov)