



**USAID**  
FROM THE AMERICAN PEOPLE

**ZAMBIA**

# FACT SHEET

## Economic Growth

### Fast Facts

- \$1500: GDP per capita
- \$17.54 billion: GDP
- 6%: real growth rate
- 5.4 million: Labor force
- 523,000: Formal sector employment
- 8.2%: Inflation rate

Zambia has tremendous potential in its agriculture and natural resource sectors. Historically, however, the country has had difficulty competing in local, regional, and international markets. Major constraints to the development of these sectors include: 1) inconsistent policy direction from the Zambian Government, 2) limited access to open and stable trading markets, 3) reluctance by banks and other financial institutions to finance small and medium scale operations, and 4) low productivity due to limited use of modern production methods, the impact of diseases such as HIV/AIDS and tuberculosis, and an inadequate education system.

Under the Feed the Future Initiative, the United States, through USAID, supports a number of programs that are working to overcome these constraints and increase the productivity and competitiveness of Zambia's agriculture and natural resource sectors. USAID's economic growth

programs work with the Zambian Government to address policy issues, develop structures to stabilize and open markets, help financial institutions improve lending, and assist small and medium scale farmers to improve productivity and expand their operations. These programs work in conjunction with USAID programs in health and education.



## AREAS OF INVOLVEMENT

### Increased Agricultural Productivity

By working with private agricultural input dealers, USAID programs are helping small-scale farmers to increase the efficiency and productivity of their operations. The Village Agent system has improved access to necessary inputs, information, and technology that have dramatically increased the productivity and competitiveness of small-scale farmers. In 2009, spray service providers serviced 3,350 hectares of farmland, resulting in a crop yield increase of 30%. The Herd Health Plan has improved access to private veterinary services and livestock management information, resulting in bigger and healthier herds. Both these programs operate on a purely commercial basis, at costs that are affordable to even the smallest farmer.

A vet vaccinating cows on the Herd Health Plan.  
(Photo: C. Mahoney USAID/Zambia)



# USAID | ZAMBIA

FROM THE AMERICAN PEOPLE

USAID has worked with the Conservation Farming Unit within the Zambia National Farmer's Union to motivate over 200,000 farmers to use conservation farming techniques. This reduces the need for expensive and damaging chemicals, promotes crop rotation, reduces carbon emissions, decreases soil erosion, and results in larger harvests with less financial input and decreased environmental impact.

## **Increased Trade and Reduced Barriers to Market Access**

USAID assisted in the development of the Zambia Agricultural Commodity Exchange (ZAMACE), Zambia's first commercial commodity exchange. ZAMACE provides open and stable trading and is now expanding markets to small farmers. The World Food Program has adapted its local procurement policy to use ZAMACE, the first time the agency has purchased across a commodity exchange in Africa.

USAID has also worked to increase the access of Zambian non-traditional export products to domestic, regional, and international markets. In 2009, USAID supported 81 Zambian companies to improve their capacities to enter the export market. Over 50 of these companies completed exports to Southern Africa, Europe, and North America with a total value of \$57,000,000.

## **Sound Market-Based Principles for Agriculture**

USAID supports activities that build Zambian capacity to conduct research and adopt policies that enable the best use of public resources to reduce poverty and encourage private sector growth. Support includes assisting policy makers in the analysis of laws, regulations, and administrative systems that enable increased productivity and development in the sector. For example, research into costs vs. benefits led to the proposed restructuring of Zambia's fertilizer subsidy program.

## **Access to Finance and Business Development Services**

USAID is supporting efforts to improve access to and availability of financing for small and medium enterprises. USAID has agreements with several institutions in Zambia to co-guarantee loans given to small and medium enterprises. Support also includes expanding private sector business development services and developing additional services such as market information, business planning, and workplace HIV/AIDS programs.

---

## **CONTACT INFORMATION**

Mission Web site: <http://www.usaid.gov/zm/>

Rosalind Best  
Malawi and Zambia Desk Officer  
USAID  
+1 202 712 0839 – phone  
+1 202 212 3233 – fax  
[rbest@usaid.gov](mailto:rbest@usaid.gov)

USAID/Zambia mailing address  
PO Box 32481  
Lusaka, Zambia

Chris Mahoney  
Development Outreach Communications Officer  
USAID/Zambia  
+260 211 357000 Ext.7404  
+260 211 357041 - Fax  
[cmahoney@usaid.gov](mailto:cmahoney@usaid.gov)

USAID/Zambia street address:  
Subdivision 694/Stand 100 Ibex Hill Road  
Lusaka, Zambia