



USAID
FROM THE AMERICAN PEOPLE



USAID/Zambia ECONOMIC DEVELOPMENT WATER, SANITATION, AND HYGIENE FINANCE (WASH-FIN)

Zambia’s vision for the water and sanitation (WASH) sector is clean, accessible, safe water and sanitation for all by 2030. At the end of 2018, urban service coverage for water and sanitation services were estimated at 86 percent and 63 percent, respectively. Approximately \$394 million per year is needed to achieve Zambia’s 2030 WASH goal.

However, despite contributions from development partners, the WASH sector in Zambia is significantly underfunded. The Zambian government’s WASH budget is only 51 percent of the annual requirement and expensive private financing makes it unaffordable for public or private service providers to borrow for large-scale and long-term investments. The WASH-FIN program addresses these challenges through key partnerships with urban water and sanitation companies to support access to affordable finance to improve quality WASH services in Zambia.

- **Life of Project:** July 2019 - September 2022
- **Geographic Focus:** Copperbelt, Eastern, and Lusaka Provinces
- **Implementing Partner:** Tetra Tech
- **Team Leader:** George Ndongwe
- **Total USAID Funding:** \$2 million
- **USAID/Zambia Contact:** Mundia Matongo - mmatongo@usaid.gov

PHOTO CREDIT: TETRA TECH

Despite financing challenges, there is a large appetite from water and sanitation commercial utility companies (CUs) to expand their networks. The WASH-FIN program partners with these CUs to strengthen their creditworthiness and access finance to expand their water and sanitation networks.

WASH-FIN partnered with four select water and sanitation companies in Eastern Province, and Lusaka, Mulonga, and Nkana communities. The program supports these CU's to improve internal efficiencies, services to their customers, overall performance, creditworthiness, and their ability to present a strong operational position to potential lenders.

WASH-FIN provides project preparation and transaction facilitation support to enable creditworthy CUs to pursue financing for viable investment opportunities including the development of public - private partnership structures.

WASH-FIN supports the Government of the Republic of Zambia to develop a comprehensive financing framework for the water and sanitation sector. WASH-FIN engages in a dialogue and stakeholder consultation to understand potential opportunities around the establishment of a water sector financing framework.

Expected Results

The goal of this 24-month program is to provide strategic, targeted support to ensure CUs have access to repayable finance to provide improved water and sanitation services to customers. By the end of the project, WASH-FIN aims to mobilize \$7 million for improved WASH services, strengthen the ability of four CUs to provide water and sanitation services, and provide new water supply to over 10,000 Zambians.

As part of initiatives to enhance operations, WASH-FIN piloted solar-hydro electricity power supply systems to stabilize service interruptions due to power cuts and offset high operational costs for water supply companies. The pilot projects added 100Kw which in turn provided enough electricity to support 30,000 people in Lusaka and Nyimba districts.