



Zambia Energy Security Compact

Securing Critical Mineral Supply Chains and Strategic Infrastructure

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BLUF: An Energy Security Compact in Zambia would stabilize the power supply of one of the world’s leading copper producers, safeguard US-backed infrastructure along the Lobito Corridor, and expand markets for American firms. By improving energy reliability and investment conditions, the Compact would deliver tangible benefits for the Zambian economy, US security, and global supply chains.

What is an Energy Security Compact?

An Energy Security Compact is a bilateral investment package by the US government, alongside private partners, in the energy system of a strategic priority country. The US government and its partner countries jointly assess the biggest barriers to energy security, prioritize investments, and co-invest in critical energy infrastructure. These Compacts meet the moment by enabling the US to make targeted investments that advance both energy goals and core foreign policy objectives.

Why Zambia?

Zambia is a crucial ally in achieving several U.S. policy goals — and all of them depend on investing in reliable, affordable electricity. The minerals sector in Zambia, Africa’s second-largest copper producer, depends on continuous, affordable power to run mines, smelters, and processing facilities. Ensuring reliable power for the mining industry is also core to the country’s economic growth and stability, since the sector accounts for 70-80% of the country’s total export earnings. But in recent years, chronic power shortages have caused operational delays at key mining facilities, reduced copper output, and forced mining firms to turn to costly emergency power imports — sometimes for [up to 60%](#) of their electricity. At the same time, the US-backed [Lobito Corridor](#) has potential to transform regional trade, but depends on solving the energy crisis. Stabilizing and diversifying Zambia’s power supply would protect Lobito investments, secure global copper flows, and create new commercial opportunities for American firms in energy technology, minerals trade, and other infrastructure.

What Does the US Gain?

- **Secured global copper supply and pricing stability.** Keeping Zambia’s mines powered at full capacity supports one of the world’s fastest growing copper producers, helping to secure output that is critical to US manufacturing, construction, and defense industries, while stabilizing global supply and prices.
- **Protected US investment in the Lobito Corridor.** Success of the US-backed trade route to Lobito depends on providing reliable, affordable electricity to mining facilities, agriculture, and other economic activities along the way.
- **Expanded markets for American firms and exporters.** Targeted power sector investment, anchored by US financing and standards, creates major opportunities for US engineering, equipment and services, and high-value American jobs and exports.

How Would the Zambia Energy Security Compact Work?

A Zambia Energy Security Compact would coordinate key US agencies to: 1) diversify power generation and fortify the grid against drought; 2) secure reliable electricity for copper mining and processing; and 3) create a more bankable, investment-ready power market that attracts private capital.

Negotiation and Design

- State Department
 - Lead bilateral negotiations to ensure coherence with US foreign policy objectives and adherence to prerequisite conditions.
 - Signal US commercial and strategic interest and align agencies around common goals.
- Millennium Challenge Corporation
 - Undertake diagnostic analysis to prioritize investments and policy reforms, building off recent [analysis](#) that identified “low power access and reliability” as key constraints to economic development.

Direct Investment

- Millennium Challenge Corporation¹
 - Invest in priority grid upgrades, transmission, and system infrastructure to improve reliability and reduce drought exposure.
 - Support energy infrastructure that serves mining corridors.
- Development Finance Corporation
 - Promote [investment facilitation](#) and risk-sharing mechanisms to attract US firms.
 - Support US-backed investments tied to mining power supply, energy storage, grid resilience, and cross-border transmission linked to the Lobito Corridor.
- US Trade and Development Agency
 - Fund feasibility studies and early-stage projects using US technology to support grid management systems, storage solutions, and transmission upgrades.

Policy Engagement

- State Department
 - Coordinate with regional partners to advance cross-border power trade aligned with US infrastructure investments.
- Millennium Challenge Corporation
 - Support reforms that improve [transparency](#), procurement, and investment conditions.
 - Attract private investment via support for procurement, pricing, and regulatory reform.
- Department of Energy
 - Provide technical input on power system planning and grid resilience.
 - Advise on grid codes, standards, and integration of non-hydro generation aligned with US technology.
- Department of Commerce
 - Ensure American firms are positioned to compete effectively as projects come to market.

¹ MCC is currently redesigning a \$458 million compact with Zambia to better align with Trump Administration foreign policy priorities. (The compact was signed but had not yet begun implementation.) This grant funding could anchor an ESC in Zambia should it ultimately be focused on the energy sector.