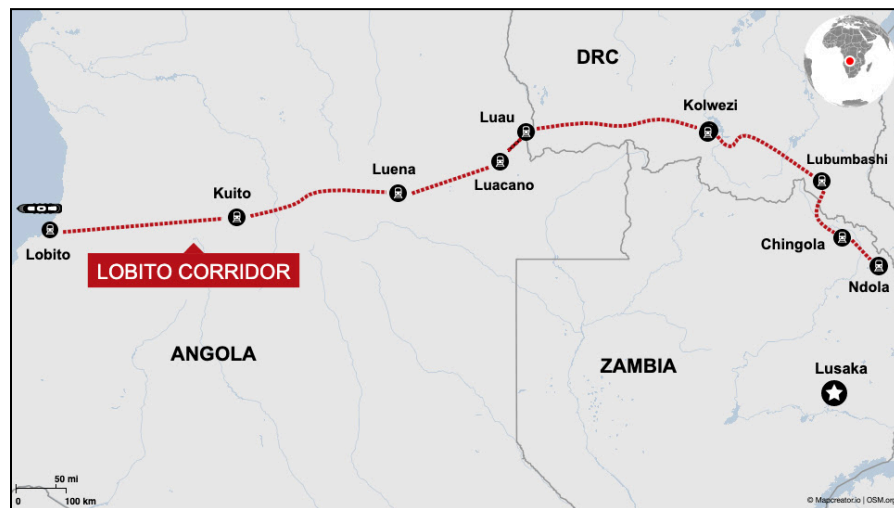


## Derailed: the cost of USAID cuts on the Lobito Corridor Project

The Lobito Corridor Railway Project is envisioned to link Angola's Lobito port on the Atlantic to the copper- and cobalt-producing regions of the Democratic Republic of Congo (DRC) and Zambia. Part of the G7's Partnership for Global Infrastructure and Investment, the project is central to U.S. efforts to counterbalance China's influence in Sub-Saharan Africa and secure access to critical minerals.<sup>1</sup>

- The U.S. International Development Finance Corporation (DFC) has pledged a loan of up to \$553 million to the project.<sup>2</sup>
- Total U.S. commitments along the corridor top \$4 billion, including investments in agriculture, renewable energy, and manufacturing.



Yet, **deep cuts to USAID programming in Angola, Zambia, and the DRC**—and uncertainty around the **USAID-managed \$20 million PGI Fund**—threaten the corridor's long-term success.<sup>3</sup>

<sup>1</sup> [Trump's reaffirmed support for \\$4bn Lobito Corridor project offers clues to his Africa policy](#)

<sup>2</sup> [Trump renews push for Africa's \\$4 billion regional rail corridor despite rising tariff tensions](#)

<sup>3</sup> [Angola Rail Line Offers Clues to Trump's Africa Policy](#)

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## Key Risks Without USAID Engagement

### 1. Weakening the U.S. Strategic Narrative

- Pulling USAID from the region undercuts the values-driven, whole-of-government approach that distinguishes U.S. efforts from China's extractive model.
- USAID has cultivated trusted partnerships through legacy initiatives like PEPFAR, Power Africa, and Prosper Africa, and was in the process of re-establishing a full mission in Angola.<sup>4</sup>
- Abrupt disengagement in foreign assistance sends a message of broken commitments to key African partners.

### 2. Undermining the Enabling Environment

- USAID supports public financial management, domestic resource mobilization, anti-corruption, and cross-border trade facilitation—essential for long-term infrastructure viability.
- Without this, private sector confidence erodes and DFC risk exposure increases.

### 3. Exacerbating the worsening security situation in the DRC

- The corridor's success depends on minerals from the DRC, where the already fragile security situation is rapidly deteriorating.<sup>5</sup>
- Mineral-fueled conflict and weak governance deter Western firms from offtake agreements with mines.
- USAID programs offer conflict mitigation and community stabilization—missions that DFC and the State Department are not equipped to lead.<sup>6</sup>

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<sup>4</sup> [FACT SHEET: President Biden's Trip to Angola](#)

<sup>5</sup> [How illicit mining fuels violence in eastern DRC: Interview with Jean-Pierre Okenda](#)

<sup>6</sup> [DRC in Crisis: The Human Cost of U.S. Aid Cuts Amid the M23 Rebellion](#)

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## The Uncertain Future of the PGI Fund in the context of State Department Restructuring and Reduction in Force

The State Department is being asked to manage PGI resources without the benefit of USAID's technical expertise, even as it faces a planned 15% reduction in staff. This downsizing not only weakens institutional capacity to oversee complex infrastructure and development programming, but also places an unnecessary burden on our diplomatic colleagues. Without a clear management framework or development professionals in place, the PGI Fund's future—and its ability to deliver on strategic goals—remains uncertain.<sup>7</sup>

### Loss of USAID layered investments in the region



USAID planned to support the **development of a Public Private Partnership (PPP) unit for Angola's Ministry of Transportation**—inspired by the success of the Lobito Railway concession to a Western consortium. Other aligned activities included projects focused on agriculture and the digital economy.



In Zambia, USAID worked to strengthen the business-enabling environment, and **partnered with the Zambian Ministry of Finance to advance public financial management and domestic resource mobilization**. Prosper Africa was providing advisory services to Kobaloni, a cobalt processing company aiming to build a \$100 million large-scale, battery grade, cobalt sulfate refinery—the first on the African continent.<sup>8</sup>



To establish conflict-free supply chains in the DRC, USAID focused on **improving economic governance, formalizing the mining sector, and supporting compliance with international regulations**. Through another activity, USAID improved investment opportunities for promising Congolese companies.

<sup>7</sup> [Building an America First State Department](#)

<sup>8</sup> [FACT SHEET: Partnership for Global Infrastructure and Investment in the Lobito Trans-Africa Corridor](#)

## Prospects on strategic competition with the PRC

A U.S. failure to deliver on Lobito would represent a strategic missed opportunity, undermining years of diplomatic and economic partnership. Meanwhile, China is advancing rival infrastructure through the Tazara Railway in Tanzania<sup>9</sup> and Zambia<sup>10</sup>, bundling railway upgrades with political training and soft power initiatives.<sup>11</sup>



## Recommendations

- **Reject proposed rescissions and maintain foreign assistance funding** for Angola, Zambia, and the DRC.
- **Preserve USAID and implementing partner staff and expertise** to support infrastructure, governance, and conflict resilience efforts.

*Hard infrastructure alone is not enough. Without USAID's soft power tools, the Lobito Corridor risks becoming just another extractive corridor—and ceding strategic influence in Africa to Beijing.*

<sup>9</sup> [TAZARA railway to transport more cargo, passengers in new financial year](#)

<sup>10</sup> [China to bring Tanzania-Zambia railway back to full speed with US\\$1 billion boost](#)

<sup>11</sup> [In Tanzania, Beijing is running a training school for authoritarianism](#)

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