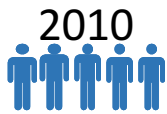


Ndola

Inclusive Urban Economic Development Diagnostic

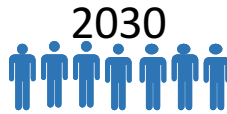
Ndola is the third largest city in Zambia, and the industrial and commercial hub of Zambia's copperbelt. The city is home to half a million people, roughly a third of those living in Copperbelt Province. Ndola lies just 10km from the border with DRC. Whilst mining contributes significantly to GDP, unemployment is high and Ndola is one of the most expensive cities to live in in Zambia.



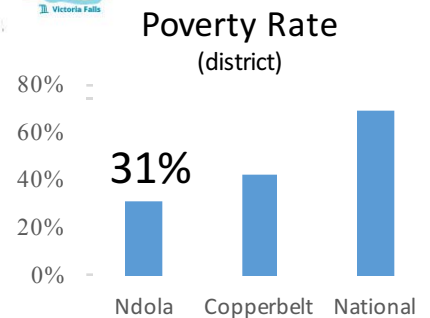
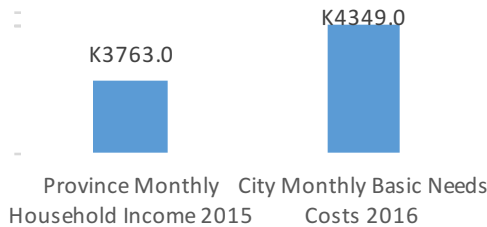
451,246



1.9%
Annual Growth
2000-2010



710,636



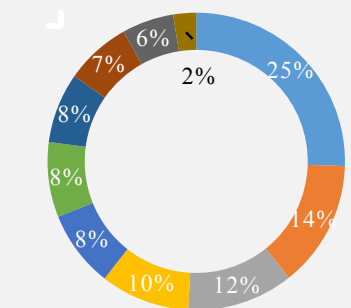
Economy

Once the largest industrial centre in Zambia, Ndola's economy shrunk significantly between 1980-2000, with vehicle and clothing plants disappearing entirely. Today although copper mining is a key economic drive, Ndola remains more diversified than many Copperbelt settlements. It has significant limestone reserves and its plants supply significant proportions of the country's cement and agricultural lime. It has two manufacturing hubs – Skyways and Bwana Mkubwa estates, and is one of the more dynamic manufacturing clusters outside of Lusaka. Zambian breweries will shortly construct a new \$30m processing plant and ZESCO has a transformer/meter manufacturing plant 5km from the city. The Indeni oil refinery in Ndola supplies the country's petroleum, and the Ndola Energy Company which supplies 105Mw to the grid. The city is also a commercial hub, hosting branches for all Zambian banks, and the only centre of operations for the Zambian central bank outside of Lusaka.

Employment: Employment is diverse, with significant employment in mining, manufacturing, utilities, construction and storage. 29% of regional employment is in the formal sector (vs 15% nationally), representing 26% of all formal employment in Zambia (2013 Labour statistics). Copperbelt has second greatest share of firm entry (90%+) and labour entry (2%+) after Lusaka. However under employment and youth unemployment are both significantly higher than the national average.

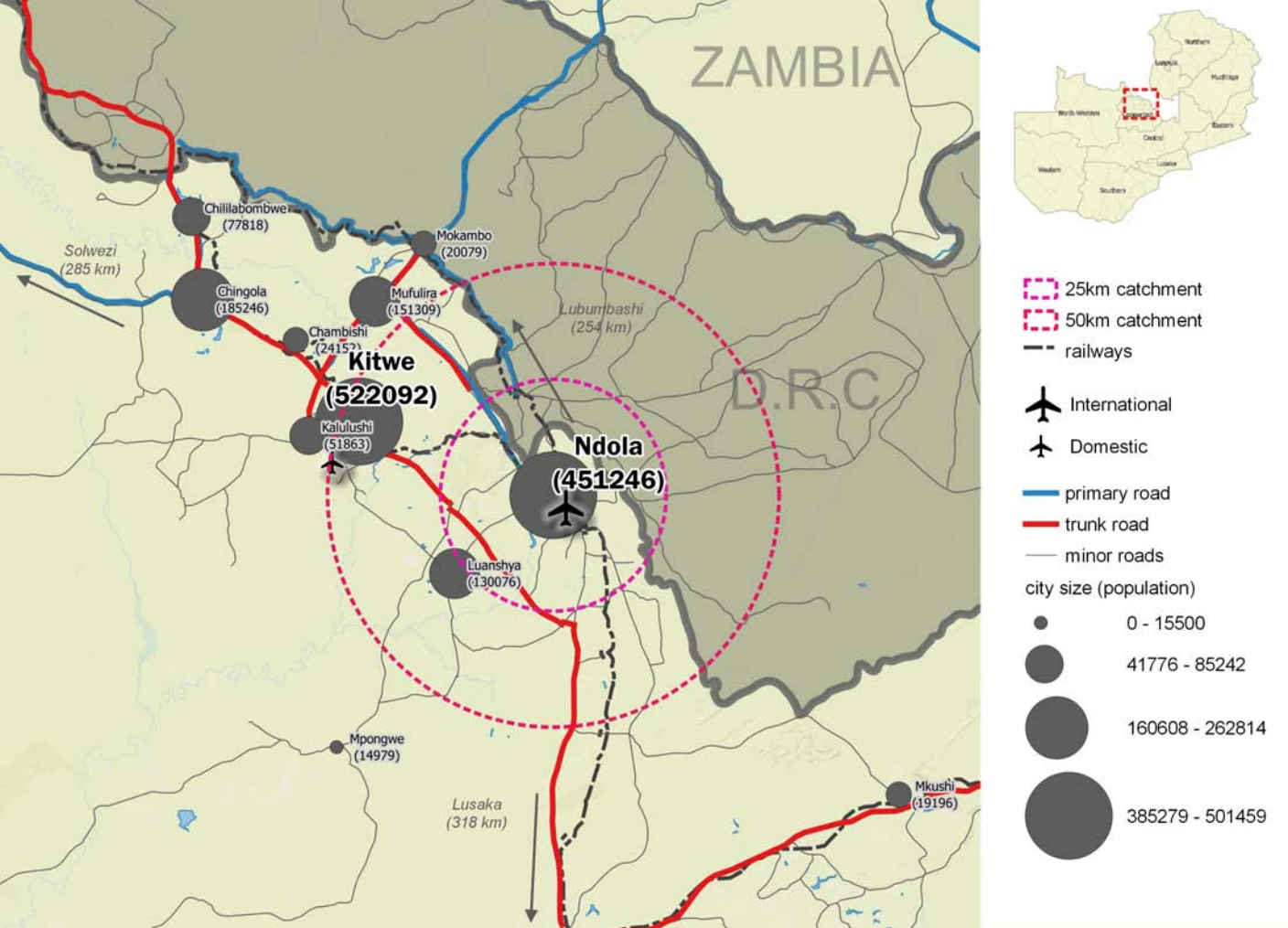
Growth constraints and opportunities: Access to finance is cited as the biggest constraint to business growth, followed by practices of the informal sector in Ndola (Enterprise Survey 2013). Potential for sector diversification, drawing on pool of skilled labour. Opportunity to become Copperbelt commercial hub, providing consumer and financial services and expanded local manufacturing.

Employment by sector and type (Copperbelt Province, 2008)



- Mining
- Utilities
- Financial Services
- Transportation / Storage
- Social services
- Manufacturing
- Wholesale/Retail Trade
- Construction
- Hospitality
- Agriculture/Forestry

Note: Data for this study has sourced from numerous agencies, and comprises organisational, business and institutional data, and district, provincial and national statistics. Readers should acquaint themselves further with relevant data sources to aid interpretation.



National and Regional Context

National and Local Policy Context

7th National plan promotes economic diversification in region. Although mining will be important, diversification into forestry, agriculture, agro-processing and small-scale mining are also encouraged. With the aim of re-establishing the province as an industrial hub.

Reports suggest that political tensions may lie behind sabotage of ZESCO power infrastructure

Ndola council has used its powers to stop illegal construction, including by external investors.

Local and Regional Trade Connectivity

- Strong regional Connectivity via Walvis Bay-Ndola-Lubumbashi corridor part of TransAfrica Highway
- Strong cross-boarder connectivity and trade with DRC
- Dual carriage way links Lusaka to Ndola, and on to Kitwe and other copperbelt towns
- Fibre network recently installed by MER
- New greenfield airport under construction, with terminal capacity of 2m/pa. Development includes hotel and office complex. South African, Kenyan and Ethiopian airlines currently serve airport.
- Studies show accessibility provided by regional railways significantly improves local business

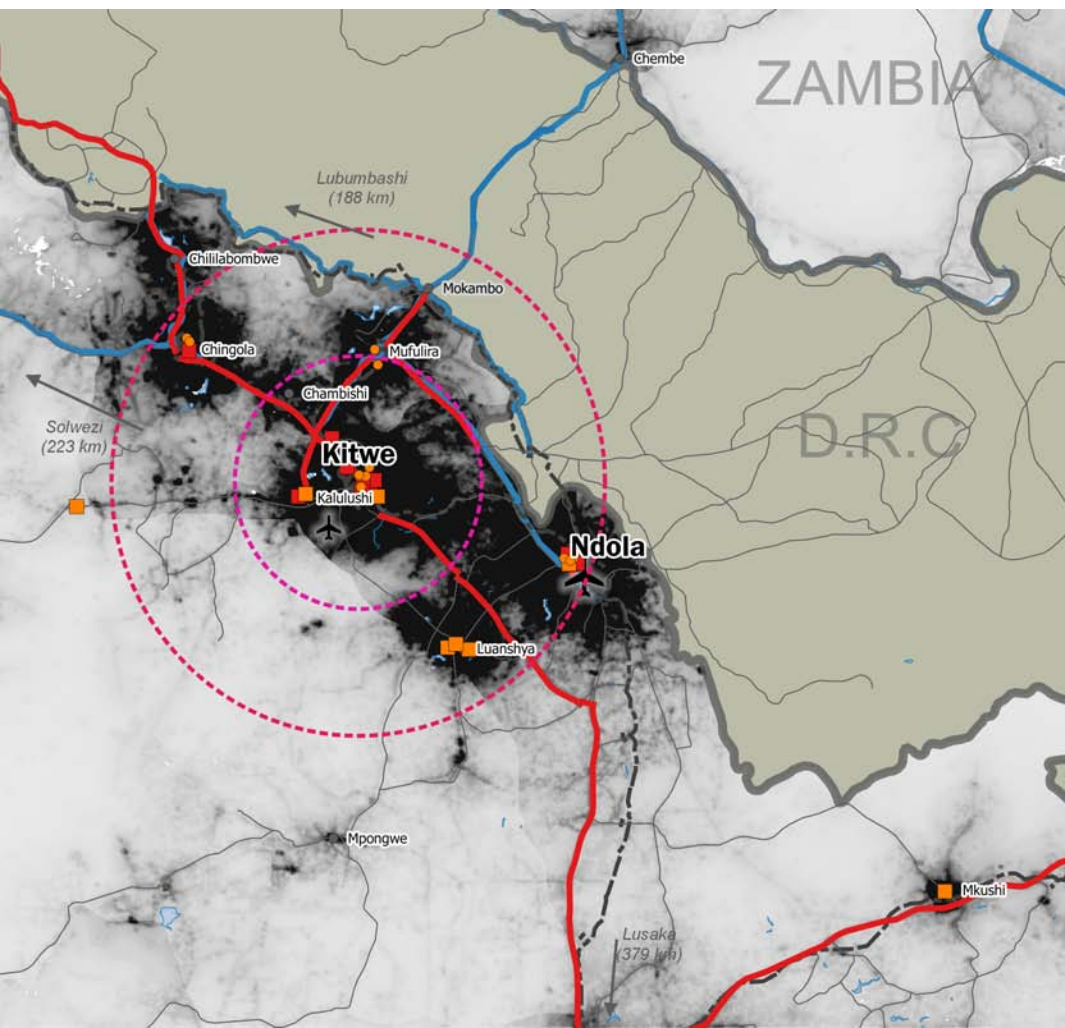
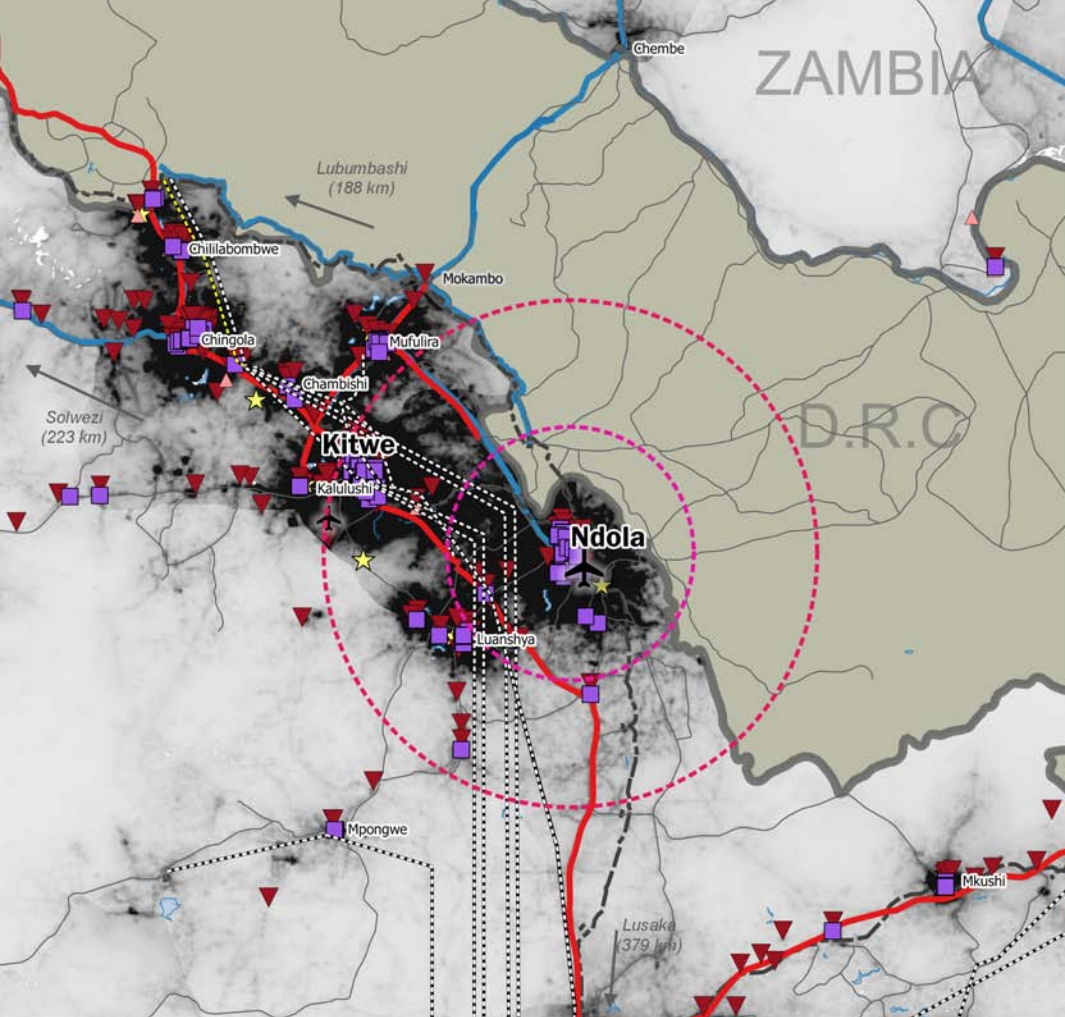
productivity

The Urban Region

- Ndola services a significant population of 606,908 in the city and its 50km hinterland
- Dense population and clustering of secondary cities provides significant market opportunities
- **Surrounding Towns:** Luanshya (Pop. 130,076) is home to Chinese-owned Mulyashi Mine. Steady population and employment growth. Diversification includes Soya Solvent plant, and expansion of milling. The mining town of Sakania, DRC is also within 50km travel but there is little data available on the town.

Climate and Environmental Constraints

- Sanitation and water management plans are outdated (2005) and poorly funded with little infrastructure, e.g. no engineered landfill.
- Solid waste and air quality are the two main issues in urban areas, though little data is available on the extent of waste problem.
- Environmental revenues such as fines are collected at local level but transferred to central government and not ring-fenced, and with no transfer back to the local level.

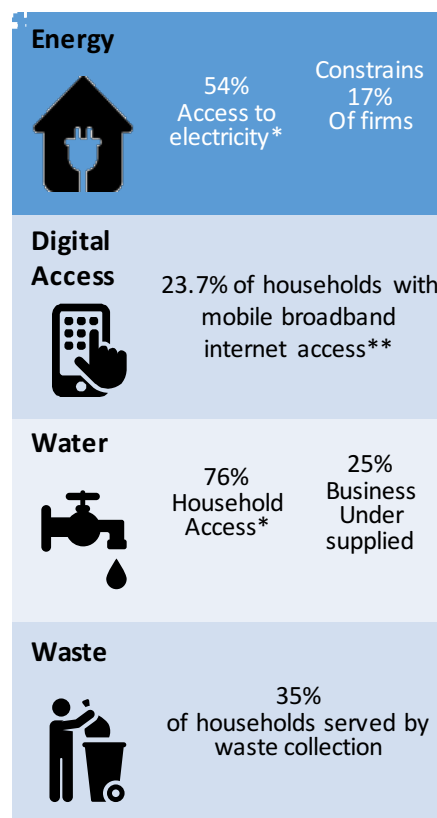


Urban Infrastructure and Services

Key statistics / information on available;

- **Energy access for households:** 54% of households have electricity (compared to 27.9% national average). 78.9% of household use solid fuel for cooking (compared to 87.6% at national level).
- **Energy access for business:** In Ndola 83% firms experience outages;; 19.4% firms own generators with 7.8% of electricity coming from generators. 17% firms identify energy as major constraint (WB Ent Survey 2012).
- **Transport infrastructure:** Only 7% of firms report transportation as a major constraint to doing business, compared with the national average of 16.4% of firms.
- **WASH to support households/SMEs:** 76.1% of households have access to an improved water source; and 41% have access to improved, non-shared toilet facilities (Copperbelt Province - DHS, 2013-14). This is above the national averages (63.4% and 27.3% respectively).
- **WASH constraints for business:** 24.6% firms experience water deficiencies and average number of deficiencies a month is 2.1 compared with 2.6 nationally.
- **Access to housing and services:** building permits currently take 45 days to issue
- **Cost of basic services:** Cost of basic needs in Ndola 845k/pp according to JCTR statistics, whilst average per person income is only 752k.

Growth constraints / opportunities: Infrastructure constraints, result in lost sales, and water and energy supply are particular issues. Poor quality service provision also results in high cost of basic service provision unaffordable to average householders / SMEs.



*Provincial level data used (DHS, 2013)

** 2013 ICT Country Survey Report, ZICTA

Inclusive Growth Opportunities

Poverty: The cost of living is extremely high in Ndola, with household basic needs costs of 4,349k/month, however this is less than 20% above the average provincial income unlike in some districts where urban cost of living is 3x the average. However, income varies hugely across Ndola and 31% are still below the poverty line many families will be forced to make trade offs between investment in food, utilities, education and economic assets.

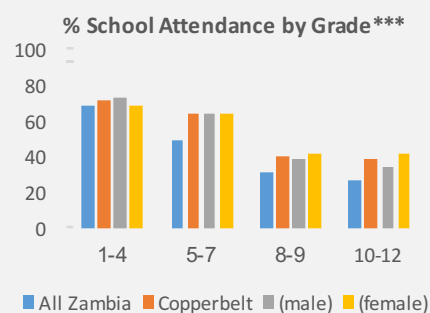
Youth and Employment: Economic inactivity and employment is higher than the national average making inclusive growth opportunities critical. In particular youth unemployment is staggeringly high despite strong local education attainment and facilities.

Women's Economic Empowerment: Currently 37.4% of full-time employees at (manufacturing) firms in Ndola are women, compared to the national average of 38.1%. Women are more likely to hold top management positions at manufacturing firms in Ndola (33% vs. 23.8% national average).

Education and Skills: School attendance is significantly above national average, with female attendance outstripping male. Strong clustering of educational institutions (Northrise and Copperstone Universities, NORTEC Technical College, schools of biomedical sciences/medicine, Luanshya Technical College and Vasco de Gama school for disabled (Luanshya). Potential to leverage strong educational facilities to promote diversification, entrepreneurship and job creation.

	Copperbelt Province	Zambia
Economic Inactivity *	30%	23%
Unemployment*	21%	7.8%
Formal employment*	30%	15%
Informal employment	70%	85%
**Youth Unemployment	64%	53%
**Female youth unemployment	69%	59%

*2013 Labour Survey ** 2008 Labour Survey
 *** 2015 Living Conditions Survey



Major Investments

Project	Sector	Value (USD)	Project sponsors	Status
Ndola Subshara Gemstone Exchange Industrial Park	Trade	N/A	Central government (Ministry of Commerce, Trade and Industry)	Planned
Ndola International airport	Transport	397 million	Zambia Airports Corporation Limited	In progress (due for completion in 2019)
Lusaka – Ndola dual carriageway	Transport	1.2 billion	Central government (PPP)	Planned
Multi-facility economic zone	Commerce	N/A	Central government (Ministry of Commerce, Trade and Industry)	Planned
Chiwala Road upgrade	Transport	N/A	Central government (PPP)	Planned
Ndola Heavy Fuel Oil power station	Energy	\$60m	Ndola Energy Company	Planned
Kabompo Gorge hydropower plant	Energy	\$220m	Central government, Copperbelt Energy Corporation, World Bank (loan)	Due for completion 2018
Coal power plant	Energy	\$200m	NorthWestern Energy Corporation	Planned
Solar power plant	Energy	N/A	Copperbelt Energy Corporation	Planned
Transport depot	Transport	N/A	Imperial Logistics	Complete
Cement factory	Manufacturing	N/A	Zambia Development Corporation (parastatal)	Planned
Refurbishment and expansion of water reticulation system	Water	N/A	International loans (guaranteed by central government)	In progress
Kitwe-Ndola dual carriageway	Transport	N/A	National Roads Fund	Planned

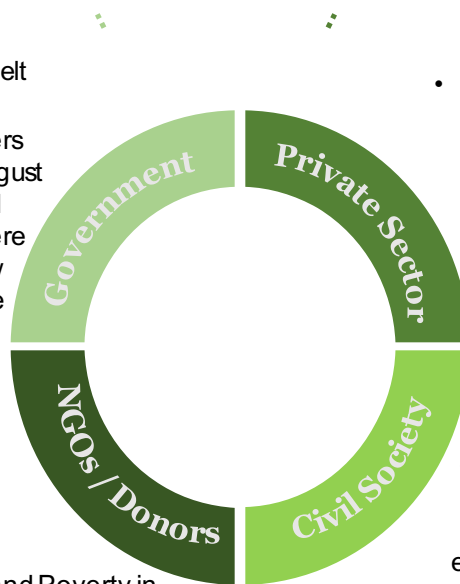
City stakeholders

Government

- Ndola is the capital of Copperbelt Province
- Ndola City Council (31 managers and directors suspended in August for allegedly mismanaging land transactions in the district). There has been little handover to new staff, so institutional knowledge has been lost
- Central Government, through district commissioner and ministries

NGOs / Donors

- JiCA
- Habitat for Humanity
- People’s Process on Housing and Poverty in Zambia (PPHPZ)
- Zambian Homeless and Poor People’s Federation (ZHPPF)
- Oxfam



Private Sector

- Copper and limestone mining (Macrolink, First Quantum Minerals, Metorex, Chamber of Mines)
- Energy companies (Ndola Energy Company, Copperbelt Energy Corporation)
 - Government is a key employer because Ndola is a provincial capital (courts etc.)

Civil Society

- Kitwe City Council owns all city land. However, as it expands, Ndola is encroaching on the land of the nearby Mushioi chief.
 - Copperbelt Land Rights Centre
 - Northrise University

Select donor programmes in Ndola

Programme	Sector	Delivery Agency	Status
Improvement of Water Supply Condition in Ndola City	Water	JiCA	Complete

Multiple national level projects

Disclaimer

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