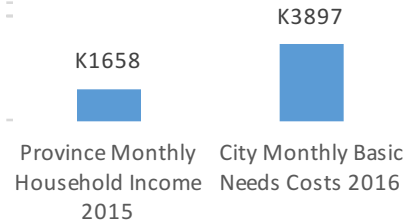
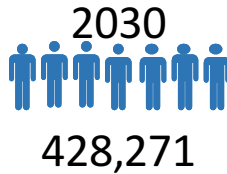
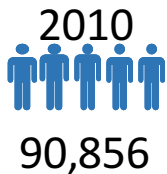


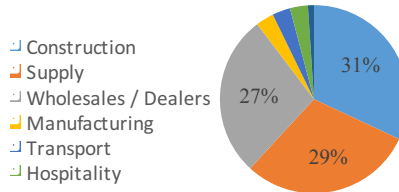
Solwezi

Inclusive Urban Economic Development Diagnostic

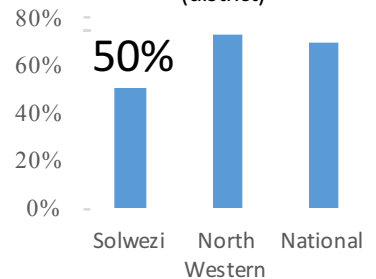
Solwezi is a large town, which is growing rapidly due to the recent construction of one of Zambia's largest and most productive mine, Kansanshi. The town's growth is expected to continue and there is a need for public investment to improve services needed by the growing private sector.



Registered SMEs by sector (NW Chamber of Commerce)



Poverty Rate (district)



Economy

Solwezi's economy is based around mining. The re-opening of Kansanshi mine has attracted economic migrants, accelerating development.

Mining: The region around Solwezi town is home to three large mining companies, Kansanshi, Lumwana and Kalumbila – the first of which produces 40% of Zambia's copper output. The mining activity has attracted significant economic activity, not only mining supply companies but also trade, retail and hospitality services. Solwezi economy also serves several other large mines, Lumwana 65km away, and will also serve Sentinel, a \$2.1bn project 100km away.

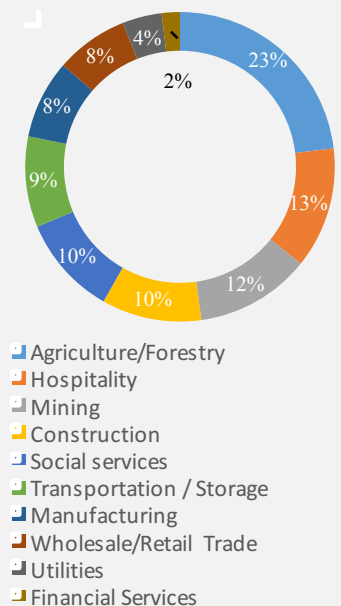
Retail and Services: There are 5 shopping malls constructed in the last 2 years, Shoprite and other major supermarkets have opened and a number of banks have located to the city. Local Solwezi companies are reported to gain \$100m of business from Kansanshi every year, with concerted efforts made to ensure supplier spending stays within the community. The economic multiplier effect has then led to a boom in small business growth, with automotive repair, courier companies, guest houses and personal services firms opening across the city.

Construction: Solwezi has witness a construction boom, of both formal modern and informal shanty town housing alongside malls, shops and hotels, with a consequent growth in construction jobs and supply chain.

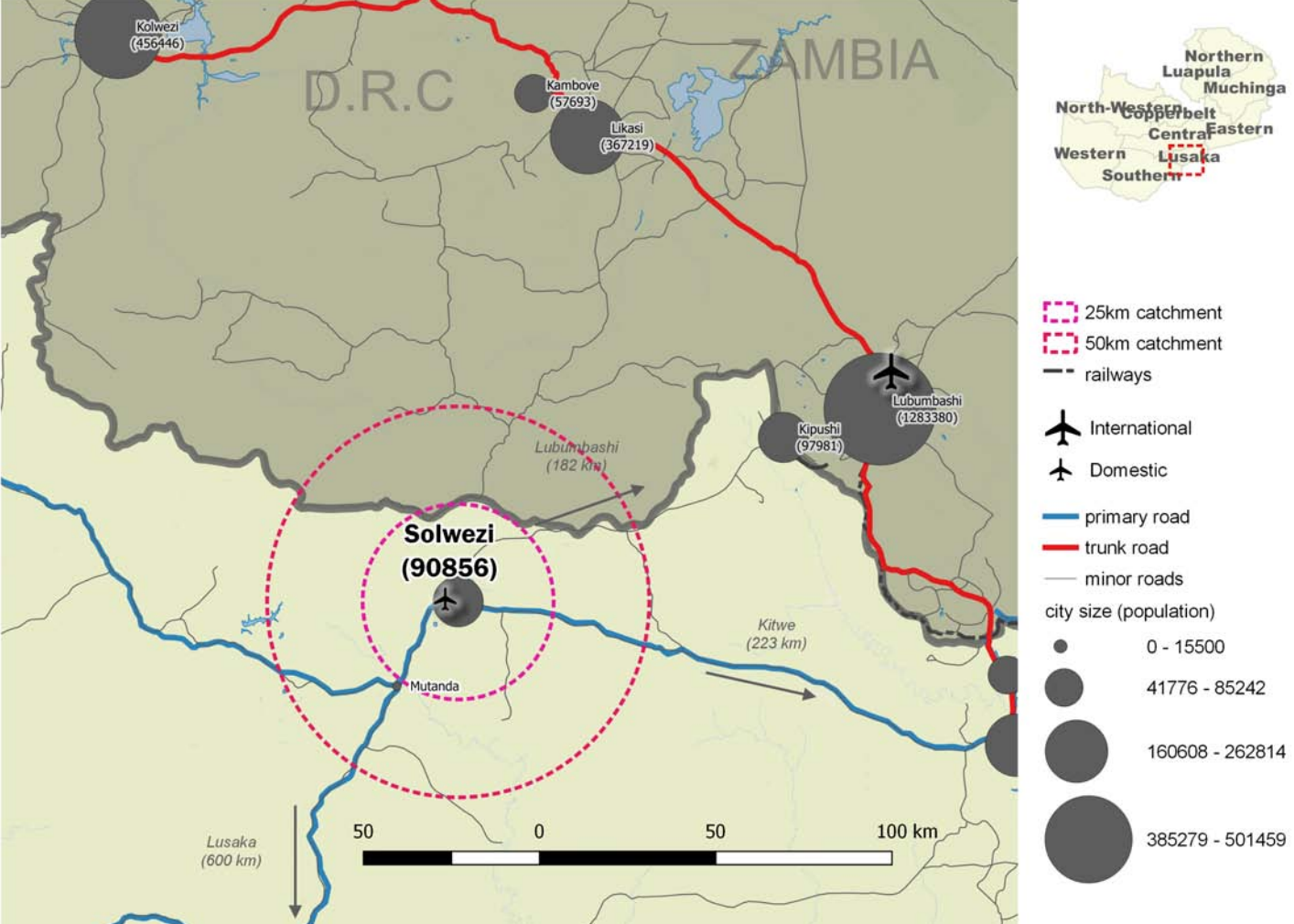
Agriculture: The majority of farmers in the district are small scale (80%), producing good for subsistence, and occasionally realising a seasonable surplus.

Growth constraints and opportunities: Business needs identified by the local authority include licensing, access to commercial land, improved roads and a clean environment, market and sanitation facilities.

Employment by sector and type (North-Western Province, 2008)



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 Policy Context

North-Western Province is noted as having potential for mining, agriculture and forestry within the 7th National Development Plan. To facilitate this investments are required in transport infrastructure, value addition technologies for the forestry sector, and energy generation.

The Solwezi District Strategy Plan 2015-2019 (supported by GIZ) notes the strain immigration and rapid urban growth has put on local services, and notes the importance of scaling up provision. The existing Solwezi municipal boundary is unable to meet the demand for land, and the council is attempting to extend township boundaries by negotiations are being outpaced by illegal land sales and developments. Expansion is also limited by resettled community areas, protected forest areas and national heritage monument zones necessitating westward expansion.

The council suffers from inadequate staffing, under utilisation of ICT, lack of GIS integration to inform decision making, and weak co-ordination which could be supported. The council has also been underspending on services, with just 19.5% of its annual budget expended on service provision, vs central government's

recommended 40% - this potentially reflects under-utilisation / low staff productivity.

Local and Regional Trade Connectivity

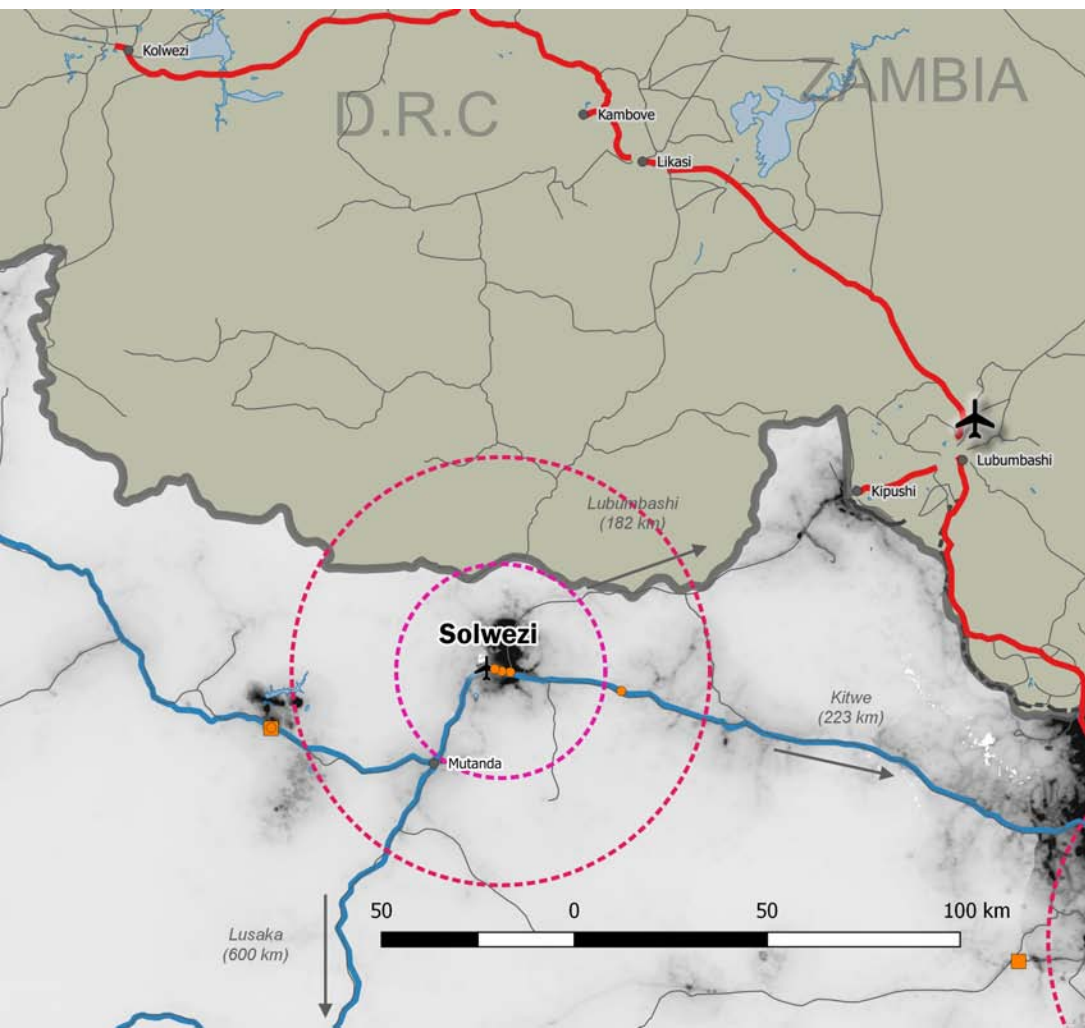
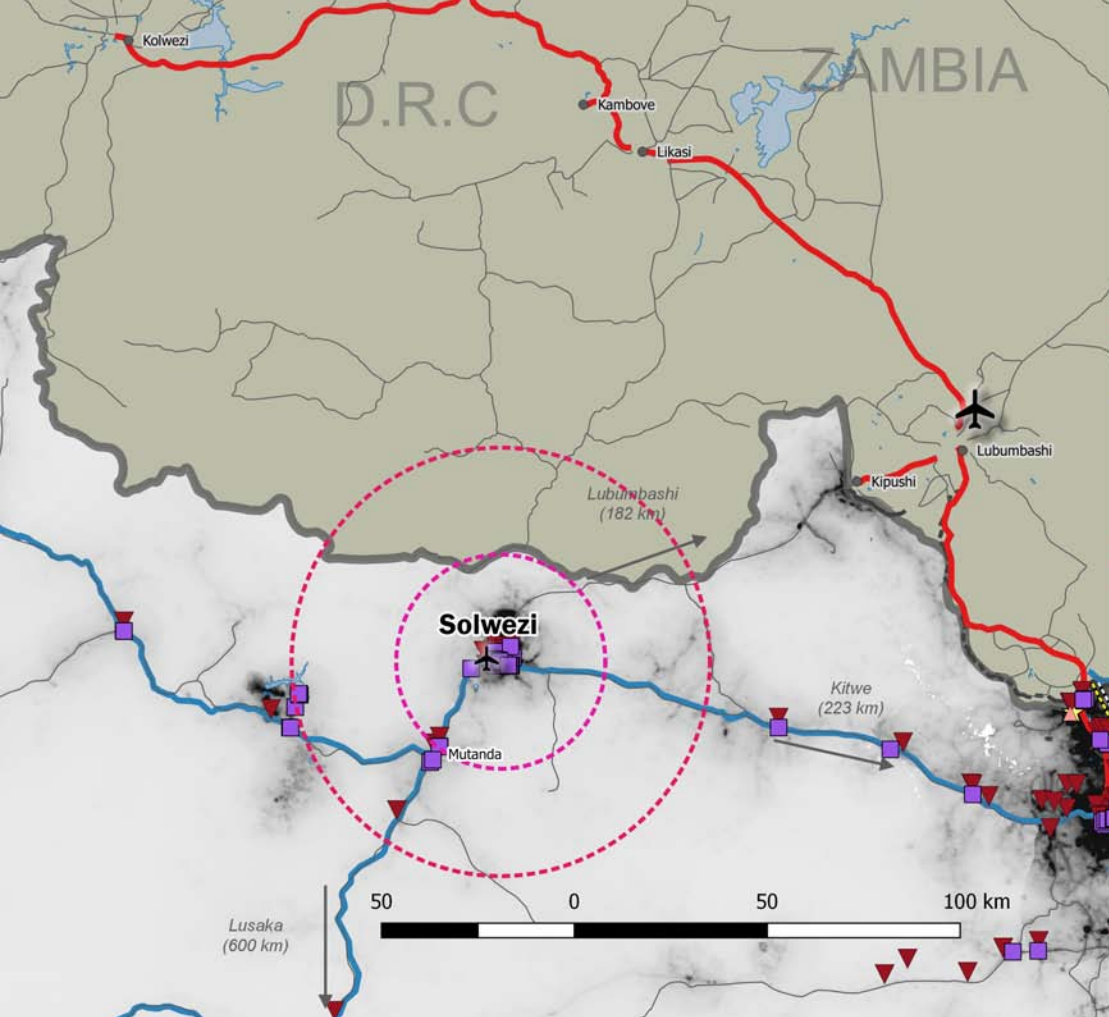
Solwezi is the provincial capital of North-Western Province, located 590km from Lusaka, and approx. 300km from Ndola. The growth of Solwezi has facilitated trade with both Angola and DRC.

Angola has opened a Consulate General in the town, and Solwezi exports eggs, tomatoes and vegetables to the former Portuguese colony. Solwezi is 160 from the thriving Congolese border town of Kipushi, to which Zambia exports grain formally and informally. Mining equipment is also transited through the town to DRC.

The North-Western Chamber of Commerce has been working with the Zambia Development Agency to promote enhanced trade between the region and its neighbours. Major road upgrades are needed to to improve transport times, with K65m allocated to upgrade the Solwezi-Chingolar road . A north-western railways linke to link the Copperbelt to Solwezi is also under discussion.

The Urban Region

Solwezi is the only major urban centre within 100km. The town therefore acts as an economic hub for the regions mines and surrounding rural communities.

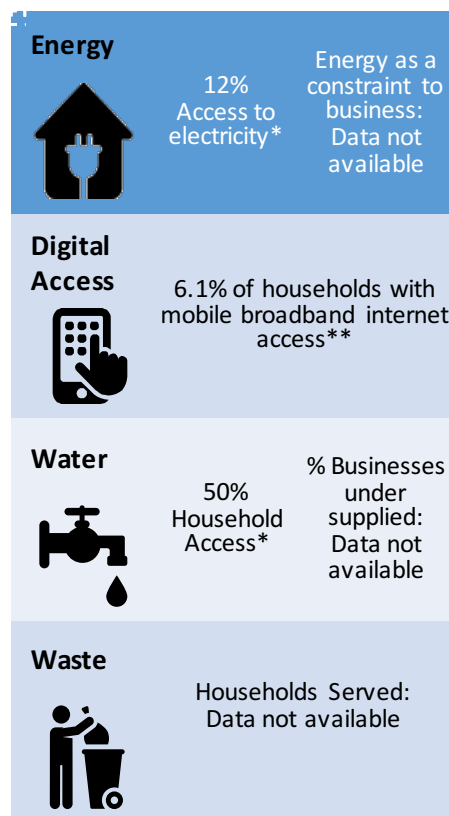


Solwezi - Urban Infrastructure and Services

Key statistics / information:

- **Energy access for households:** 12.3% of households have electricity (compared to 27.9% national average). 95.3% of household use solid fuel for cooking (compared to 87.6% at national level).
- **Energy access for business:** No data available
- **Transport infrastructure:** 4.6% of households own a car compared with 7% nationally. No data on public transport available.
- **WASH to support households/SMEs:** 49.8% of households have access to an improved water source; and 7.9% have access to improved, non-shared toilet facilities, compared with the national averages of 63.4% and 27.3% respectively (North-Western Province - DHS, 2013-14). 10.3% of the population is connected to the sewer network.
- **Cost of basic services:** Residential water tariffs in 2017 ranged from 3.55 to 8.91 ZMW per m³, while commercial tariffs were from 8.64 to 9.70. In 2005, electricity cost 1,700 min. and 4,500 max per kwh for residential users and 6,300 per kwh for commercial users.
- **WASH constraints for business:** No data available
- **Access to housing and services:** Average number of occupants per room is 2.9 compared with 2.6 nationally.
- **NEPAD-IPPF** approves US \$3.88 million in grants to DRC, Mozambique and Zambia for power interconnector projects – with Solwezi to receive US \$1.98 million

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

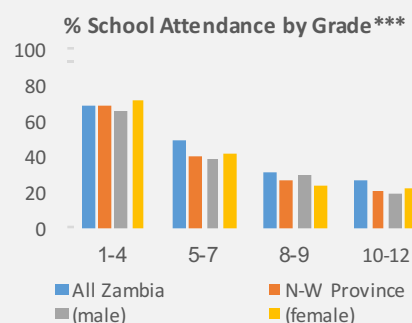
Poverty and equality: Solwezi district poverty levels are 50%, significantly lower than provincial level (73%). Monthly living costs in Solwezi are more than double average provincial income, however lower than other Copperbelt cities. Socioeconomic pressures affecting the district include rapid population growth (resulting in overcrowding), poverty, HIV/AIDS, unemployment, health, education, water supply, sanitation and energy. The town has some formal employment (14%), though lower than other mining provinces (<30%). And very high levels of youth and female youth unemployment.

Women's Economic Empowerment: Solwezi council has no female councillor, and women are under-represented in decision making. There is little information on WEE issues, but women are likely to be faced by high living costs, high competition for available work, and pressures to enter sex work seen in similar mining settlements. It would be advisable to undertake analysis to understand gender and WEE issues and opportunities as challenges are likely to become acute as rapid urban expansion continues.

Employment and Youth Opportunity: Education and Skills: Primary and secondary school attendance is slightly below the national average. There are inadequate secondary schools places, and underfunding is severely constraining roll-out of educational infrastructure. The need for youth skills training centres is noted by Solwezi municipality and the region lacks higher education facilities which will constrain opportunities for young people and constrain workforce development unless addressed.

	N-West Province	Zambia
Economic Inactivity *	26%	23%
Unemployment*	4%	7.8%
Formal employment*	14%	15%
Informal employment	86%	85%
**Youth Unemployment	50%	53%
**Female youth unemployment	57%	59%

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





Climate and Environment

Context

Increasing population, poverty and land shortage place increased pressure on natural resources and lead to growing demand for land for food productions and settlements.

Challenges

- The effects of climate change include threat to food production, droughts and floods which are already affecting the district. Those living in poverty are most vulnerable.
- Solid waste remains uncollected with the exception of waste generated at the main markets. Poor waste management is evidenced by open incineration and illegal dumping as there is no appropriate dumpsite.
- Faecal contamination in major rivers downstream of settlements has been noted.
- Major gaps in hydrological data although some tests on Solwezi River and its tributaries indicate faecal contamination due to poor access to sanitation facilities in nearby settlements.
- War and civil unrest in neighbouring DRC and Angola have caused migration into Solwezi District. Others migrating to the District are attracted by the

growing mining industry. This migration is placing pressure on land and infrastructure.

- Urbanisation has been an uneven and fragmented process in Solwezi. In particular, the number of unplanned settlements has been increasing. Of 10 unplanned settlements, five are considered to be rapidly expanding. The result of this process of urbanisation has been:
 - Deforestation and stream bank cultivation leading to drying of stream beds and dambos; and shallowing of wells.
 - Increased numbers without access to social services such as water supply, sanitation (90% of those in rural parts of the District use the “bush” while in peri-urban areas the majority use pit latrines), sewerage and solid waste collection/disposal
 - Prevalence of diseases such as malaria and cholera
 - Sand and earth mining causing soil erosion and degradation of river catchment areas

Opportunities

- Develop capacity of Solwezi Council to better plan the urbanisation process.
- Enable closer monitoring of surface water quality

References

- *SoE Outlook Report, 2008*

Major Investments

Solwezi's population has grown rapidly due to mining. As a result, the need for housing and key services (water etc.) is acute.

Project	Sector	Value (USD)	Project sponsors	Status
Solwezi City Mall	Commerce	25	Herriot Properties, Solwezi Municipal Council	Complete
Chingola-Solwezi Road	Transport	N/A	First Quantum Minerals, Central government	Complete
Kabitaka – new town development	Housing / commerce	100	First Quantum Minerals	Complete
Bus terminus & market	Transport / commerce	5.5	Solwezi Municipal Council	Stalled
Solwezi School of Midwifery	Healthcare	N/A	Central government	Complete
Mall / Office park	Commerce	450,000	Kukula Seed (partially DFID funded)	Complete
Township road rehabilitation	Transport	80,000	Central government	Planned
Water and Sanitation Works development (design)	Water	1 million	Central Government, Netherlands Enterprise Agency	Planned
Solar-powered maize mill	Agriprocessing	N/A	Central government	Planned
Shopping mall	Commerce	N/A	MicMar (hardware company)	Planned
Housing development (2,000 houses)	Housing	N/A	National Pension Service	Land allocated

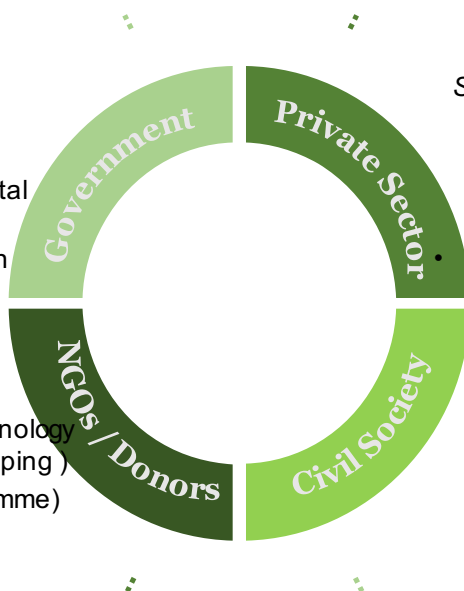
City stakeholders

Government

- Solwezi Municipal Council
- The Director of Planning is newly in office
- Solwezi is the provincial capital of North Western Province
- Central Government, through district commissioner and ministries

NGOs / Donors

- GIZ (proposal to provide technology and TA support with GIS mapping)
- USAID PEPFAR (HIV programme)
- Global Fund to fight AIDS, tuberculosis, and malaria



Private Sector

Solwezi has grown rapidly due to mining, mining is central to the economy.

- Mining firms (First Quantum Minerals is a key player)
- Service actors related to mining (Haulage, logistics etc.)
- *Trading is growing rapidly as Solwezi grows – previously Kitwe had been reliant on Ndola for goods (retail, wholesale, banking)*

Civil Society

- Solwezi School of Midwifery

Select donor programmes active in city

Programme	Sector	Delivery Agency	Status
Water and Sanitation Works development (design)	Water	Netherlands Enterprise Agency	Planned

Multiple national level projects

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