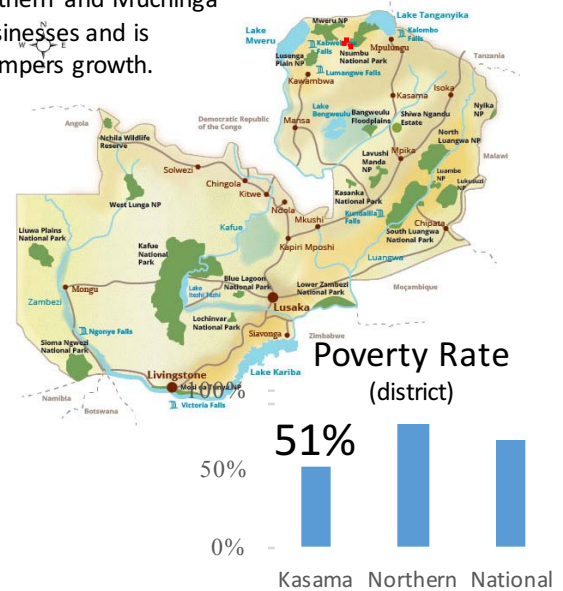
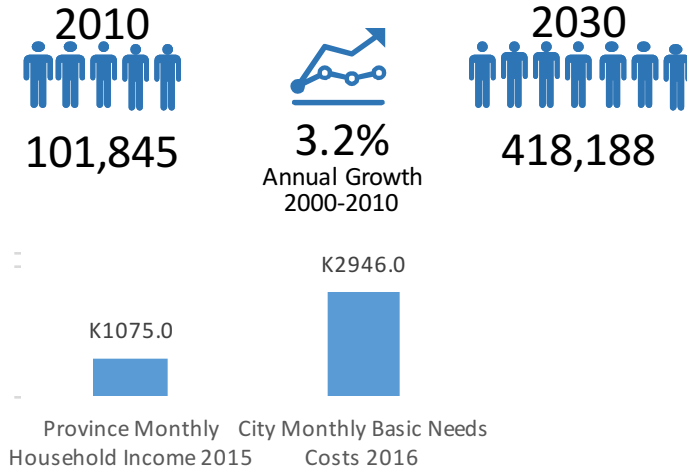


Kasama

Inclusive Urban Economic Development Diagnostic

Kasama, capital of Northern Province, is the economic hub for Northern and Muchinga provinces. The town has a cluster of agro-processing and retail businesses and is experiencing diversification, but lack of skills and infrastructure hampers growth.



Economy

The predominant economic activity in Kasama district is agriculture, with 80% of the population engaged in small-scale farming. Kasama town acts as a commercial hub for the region, being the largest town within 150km.

Agriculture: Kasama district has productive dambos, where a wide range of crops are grown. There is high potential for coffee, groundnuts, sweet potatoes, rice, maize, sugar and soya, however a lack of markets has discouraged production. Livestock production is limited, however there is potential for dairy.

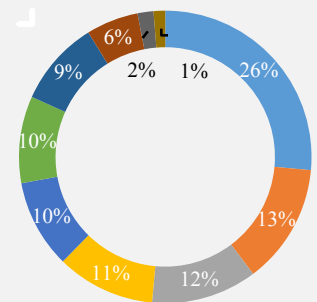
Manufacturing: Kasama district acts as an industrial hub for the Northern and Muchinga Provinces. Kasama Sugar operates one of 3 of its plants in Kasama, and there are maize and rice milling companies, breweries, sawmills, potteries, and commercial honey and coffee production. Bakeries in Kasama also supply other districts in the province. There is potential for seasonal fruit processing. A large oil refinery is currently under development, which will create 2000 jobs.











Commerce and Retail: Kasama has a range of retail and wholesale outlets, supermarkets and chain stores supplying commodities for the district, and communities across the province. A wide range of banks are present in the town, and there is a PPP planed to construct a modern market for the region. There are 120 registered SMEs, but the informal sector dominates. Kasama's 2011 situational analysis presents a useful SWOT, identifying limited business registration, development services, lack of industrial parks, incubators and poor road connectivity for agro-processors as constraints.

Tourism: There is potential for tourism and GoZ has established one of four regional tourism offices in Kasama. Attractions include rock art, the Isangano National Park and waterfalls. However funding, improved transport infrastructure, strategic sector management and skills are all needed to grow the sector. Union Gold and Protea Hotel groups are both due to construct hotels in Kasama.

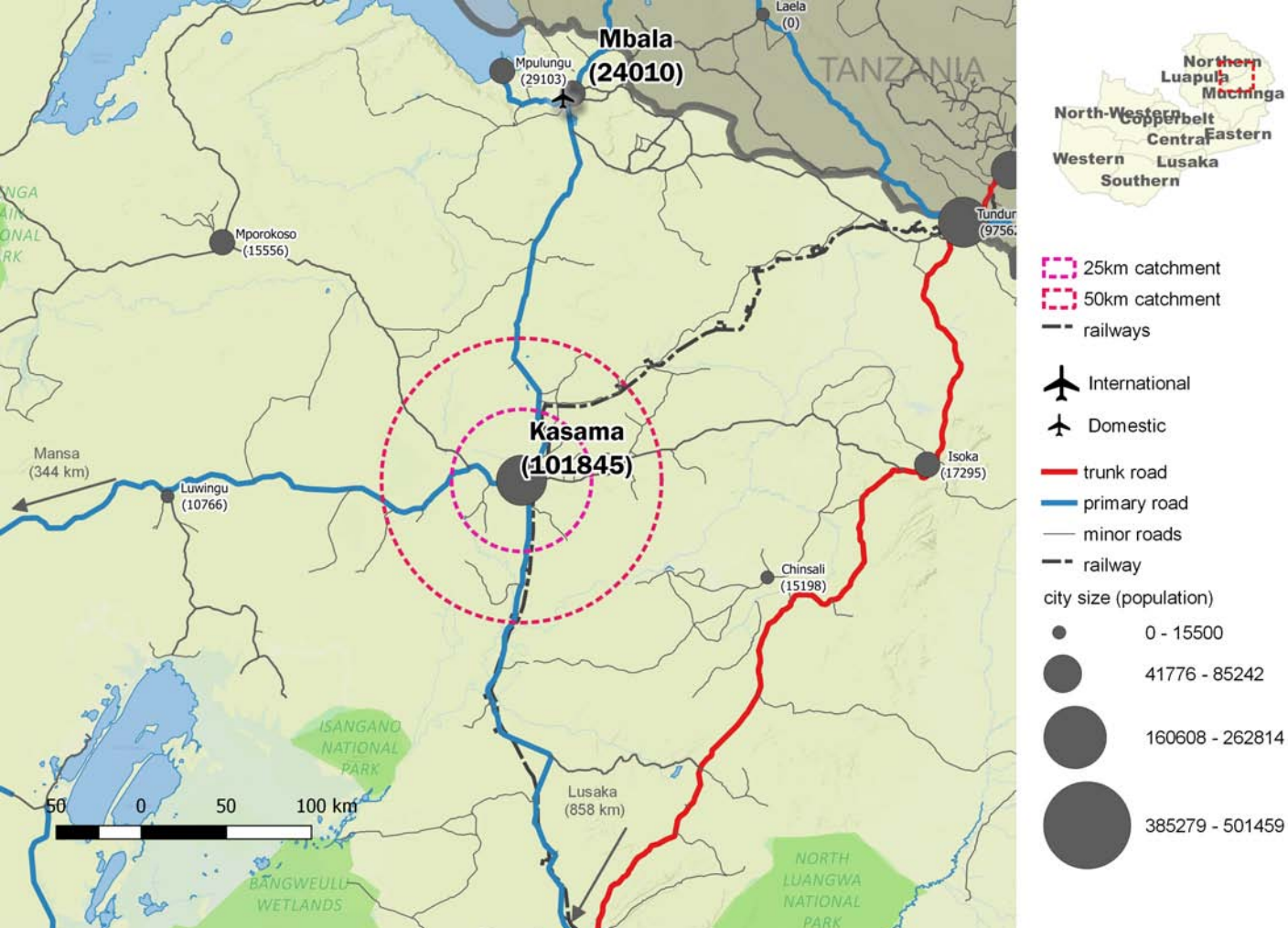
Mining: Surveys have confirmed the presence of mineral deposits and gemstones, and there are opportunities for extraction of clay, and large and small scale quarrying of Kasama flat stone. There is a need for sector investment to facilitate growth.

Employment by sector and type (Northern Province, 2008)



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

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

The National Development Plan identifies agriculture, energy generation and tourism as comparative advantages for the region. The region remains poor, with poor infrastructure identified as a key constraint. Re-capitalisation of the Kasama Coffee Company is also identified as a key for Zambia's coffee industry.

Local and Regional Trade Connectivity

Kasama is 852km from Lusaka, and 200km from the Port of Mpulungu on the shores of Lake Tanganyika in the great lakes. It is linked to Dar-es-salaam by rail and road, and to the Copperbelt via Luapula Province. Kasama airport is being expanded to manage large commercial aircraft with completion expected end of 2017. Currently only domestic services to Ndola and Lusaka are operational.

The M1 Kasama/Mpika road to Lusaka is in reasonable condition, and supports import/export of cement, sugar, fish, copper, maize and groundnuts via Mpulungu Harbour to Tanzania, Burundi and Rwanda. The D20 has been upgraded, and facilitates transportation of agricultural produce from Chambeshi river, and travel to the NW of the province and on to Luapula.

In 2011 near 80% of township roads were in poor condition, with 15km planned for rehabilitation. However road construction capacity in local councils and contractors is low, there is inadequate technical knowledge amongst staff and consultants, procurement is poorly managed and investment planning is erratic.

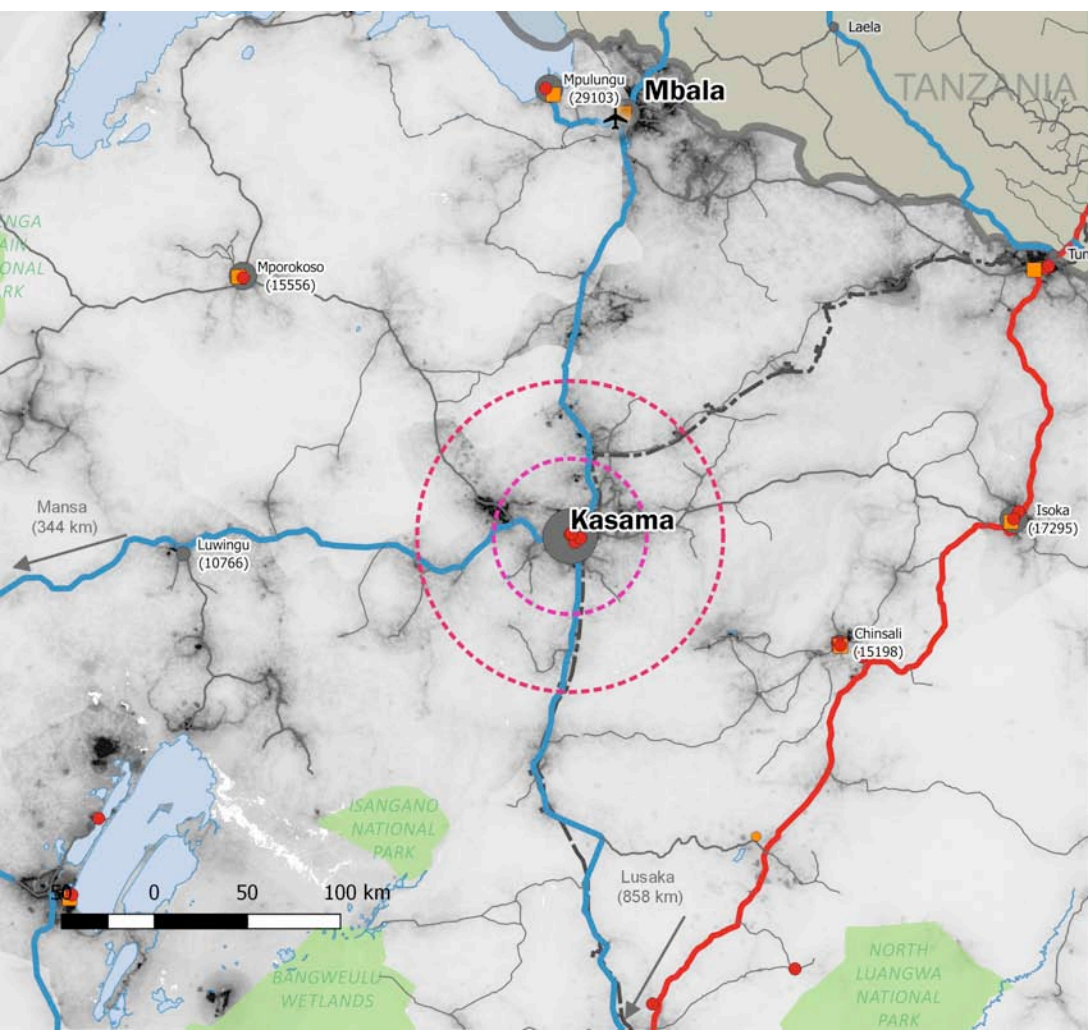
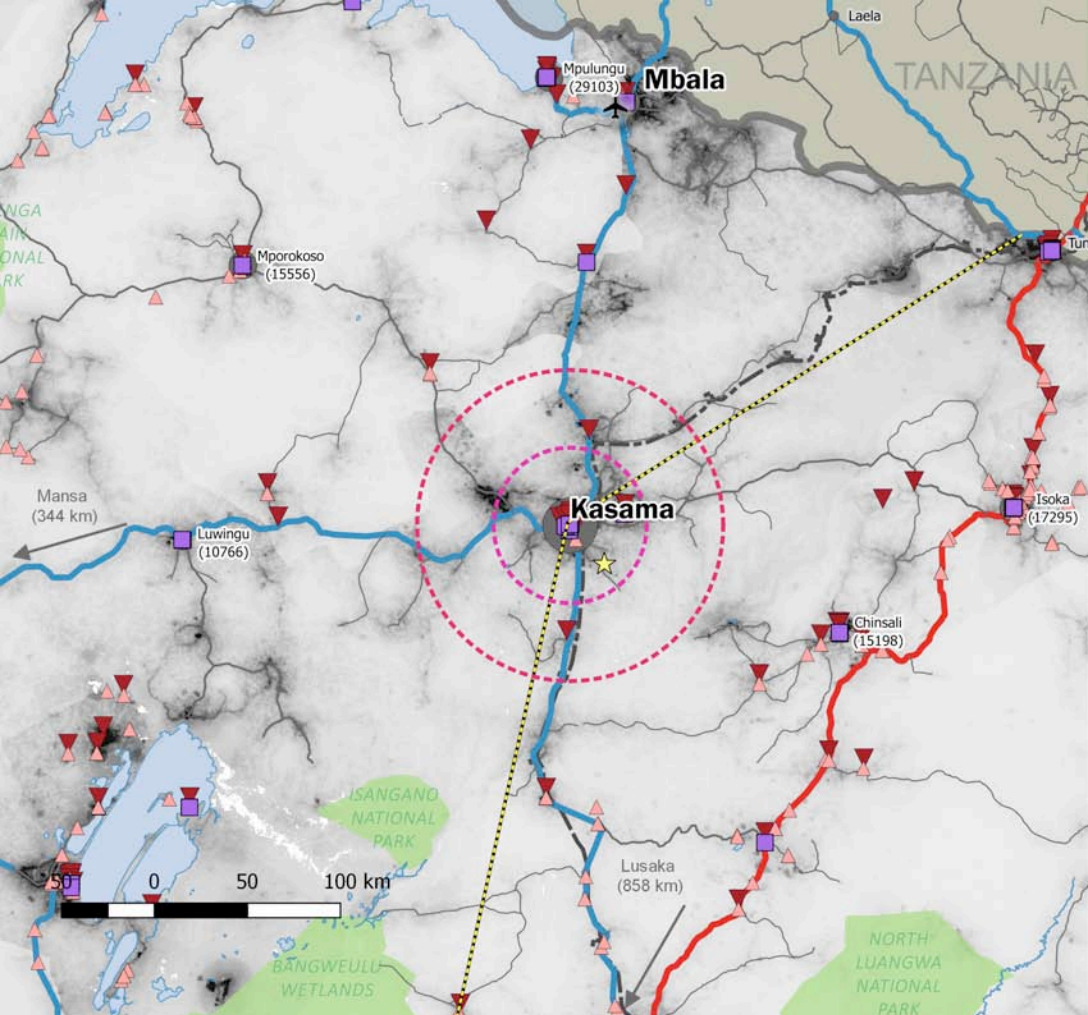
Regional development is also hampered by poor feeder roads, and poor connectivity to Kasama town. It is hoped this situation will improve due to government investment in the Rural Roads Units, which are now in charge of road maintenance in the district with the aim of improving citizen access to markets, services and amenities.

The Urban Region

The northern province is not densely populated, with Kasama the only major urban centre within 150km. Mbalala lies to the north, and depends on Kasama as a regional hub for commodities.

Climate and Environmental Challenges and Opportunities

There is extensive deforestation, especially around urban centres due to charcoal production and clearing of land for farming. The Chitemene system of agriculture (slash and burn), which is widely practiced in the most parts of Kasama has also contributed greatly to the depletion of the woodlands.

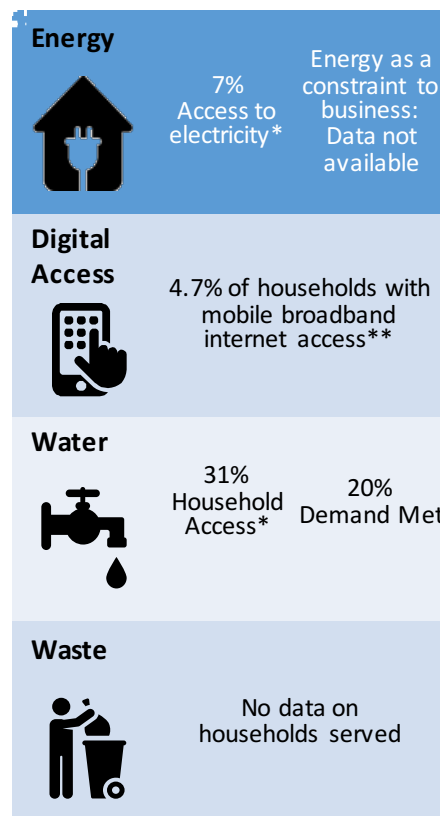


Kasama - Urban Infrastructure and Services

Key statistics / information:

- **Energy access for households:** 7% of households have electricity (compared to 27.9% national average). 98.5% of household use solid fuel for cooking (compared to 87.6% at national level).
- **Energy access for business:** No data available
- **Transport infrastructure:** 1.7% of households own a car compared with 7% nationally. No data on public transport available.
- **WASH to support households/SMEs:** 30.6% of households have access to an improved water source; and 17% have access to improved, non-shared toilet facilities, compared with the national averages of 63.4% and 27.3% respectively (Northern Province - DHS, 2013-14). 42% of the population is connected to the sewer network.
- **WASH constraints for business:** In 2011 water supply was able to meet just 61% of demand, and in 2015 this was down to 20%.
- **Access to housing and services:** Average number of occupants per room is 2.6 compared with 2.6 nationally.
- **Cost of basic services:** Water revenue collection efficiency is estimated at 48%, while the tariff covers just 35% of the cost.
- **Mobile internet connectivity:** 3G available only in central Kasama – voice/gsm only services for surrounding communities.

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)

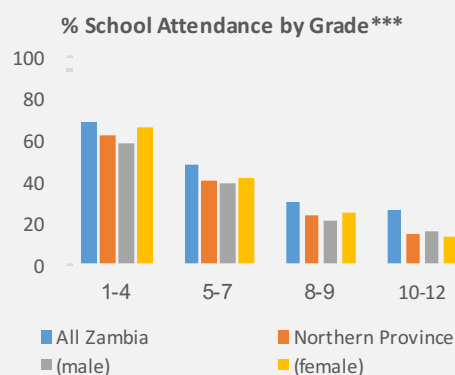
** 2013 ICT Country Survey Report, ZICTA

Inclusive Growth Opportunities

- **Employment and Youth Opportunity:** Unemployment and economic activity in northern province is lower than national average, as are youth and female unemployment. This is likely due to the high levels of agricultural activity, with young people and working age adults involved in small-scale farming.
- **Women's Economic Empowerment:** Women working in the rural economy around Kasama are disadvantaged by reduced access to land. Women also bear the burden of household managed, and poverty adopting coping strategies in the rural regions outside the city. There is little information on women's employment, entrepreneurship or access to capital or services in the city.
- **Education and Skills:** Primary school attendance is around the national average, with strong attendance from girls in earlier years. However secondary school completion is extremely low (13.1% female). To date tertiary education facilities have been limited to technical school or distance learning. However development of a University of Kasama and University of Northern Province is planned, and construction of the Lukupa Midwifery School is complete. Once open, these facilities will significantly expand education and career opportunities for young people addressing a number of the skills gaps noted in analysis.
- **Poverty / improving equality:** Poverty in Kasama district (51%) is significantly lower than the district average (80%), and as much of the district is rural it is likely that poverty levels in Kasama town itself are even lower. However cost of living is high, 2946K/month for household basic needs, compared to the average provincial household income of 1075K. Therefore whilst households are better off than rural communities, increased incomes are offset by high living costs.

	Northern Province	Zambia
Economic Inactivity *	19%	23%
Unemployment*	2%	7.8%
Formal employment*	5%	15%
Informal employment	95%	85%
**Youth Unemployment	26%	53%
**Female youth unemployment	28%	59%

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



Major Investments

Project	Sector	Value (USD)	Project sponsors	Status
Kasama-Mbesuma road	Transport	53.9 million	Central government	In Progress
Pensulo-Kasama transmission line (part of COMESA project to link up Zambia, Kenya, and Tanzania grids)	Energy	153.8 million	Zesco (state owned energy company), with loan from Industrial Commercial Bank of China,	Complete
Soya & corn agriprocessing plant	Agriprocessing	150,000	Central government (Citizen Economic Empowerment Commission), Regitech	Planned
Hotel	Tourism	N/A	Protea Hotel Group	Planned
Boarding school	Education	1.5 million`	Central government, Promoting Equality in African Schools (PEAS)	In progress
Universities: University of Kasama, University of Northern Province, Lukupa Midwifery School)	Education	N/A	Central government, Kasama District	Planned (Midwifery School complete)
Integrated Small Towns Water Supply and Sanitation Program	Water	42 million	ADB (loan), Central government	Planned
Oil refinery	Extractives	850 million	GLOBAL Investment and Development Consultants (UAE-based oil company)	Planned
Airport upgrade	Transport	N/A	Central government	Planned
2x Shopping malls	Commerce	N/A	Fern Grove, Time Projects Zambia	Planned
Coffee & banana plantation	Agriculture	20 million	Olam	Planned

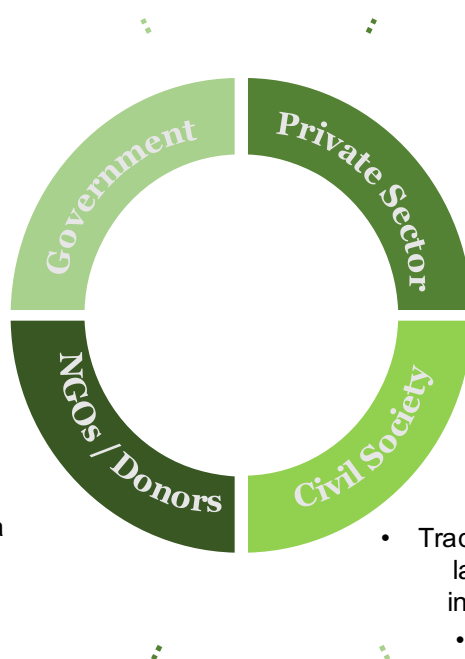
City stakeholders

Government

- Mbala Municipal Council
- Central Government, through district commissioner and ministries

NGOs / Donors

- No active donors in Kasama
- World Vision and SNV were previously involved in water development programmes



Private Sector

- Small farmers
- Large retail chains (Shoprite, Zambeef)
- Small-scale traders retailing products from Tanzania
- Agriculture / agriprocessing (Olam , Regitech)
- Construction firms (lots of formal and informal construction activity in Kasama)
- Lodges and guesthouses

Civil Society

- Traditional leaders own about 95% of land and exert a moderate level of influence compared to other towns
- Universities (once established)

Donor programmes active in city

Programme	Sector	Delivery Agency	Status
Integrated Small Towns Water Supply and Sanitation Program	Water	ADB (loan)	Planned

Multiple national level projects

Disclaimer

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