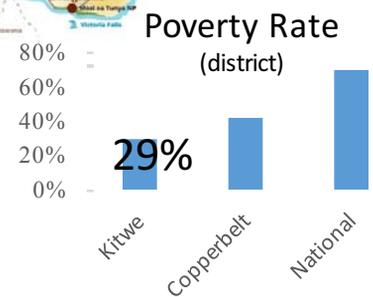
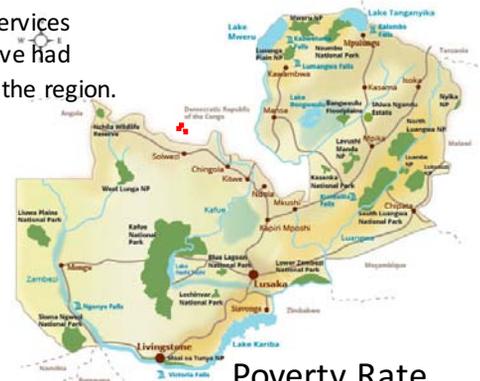
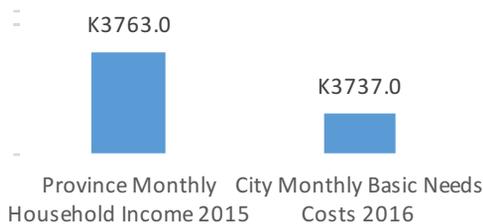
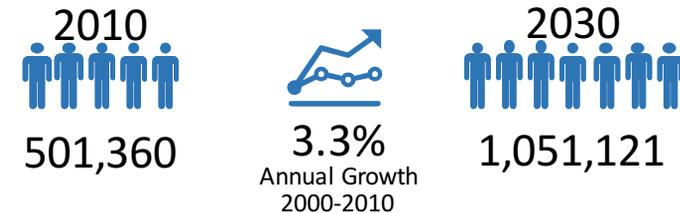


Kitwe

Inclusive Urban Economic Development Diagnostic

Kitwe is one of the fastest growing cities in Zambia, driven by the opening of Zambia's largest, most productive mines. A wide variety of construction, trade and services businesses have clustered around the mines, and the town's businesses have had significant success in ensuring value created by mine supply chains stays in the region.



Economy

The dominant economic activity is mining (copper and cobalt) in Kitwe and has been the case since the late 1800s. Other crucial sectors are manufacturing (banana boats, packaging, bottles, plastics, and foodstuffs), trading (retail and wholesale) and agriculture (subsistence and commercial livestock, and maize).

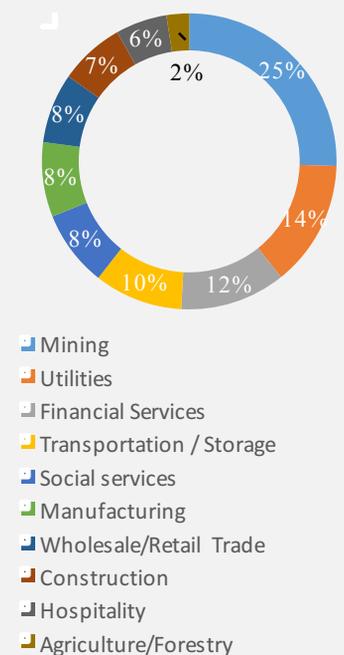
Mining: Mining employment has dropped from a peak of 65,000, to just 30,000 today, with privatisation of the state mines resulting in reduction in public services previously provided by the mines.

Manufacturing: Manufacturing accounts for 26% of formal employment, with services 74% (Census of Business Establishments, 2010). The city is specialised in manufacturing of metals of machinery, with a location quotient of 1.79. Firms are smaller than the national average. Capacity utilisation of manufacturing firms is 62.3%, above the national average of 56.2%. It had declined by 6.6 percentage points from 62.3% in 2007; below the average decline of 11.4 (World Bank, Enterprise Survey 2013 and 2007).

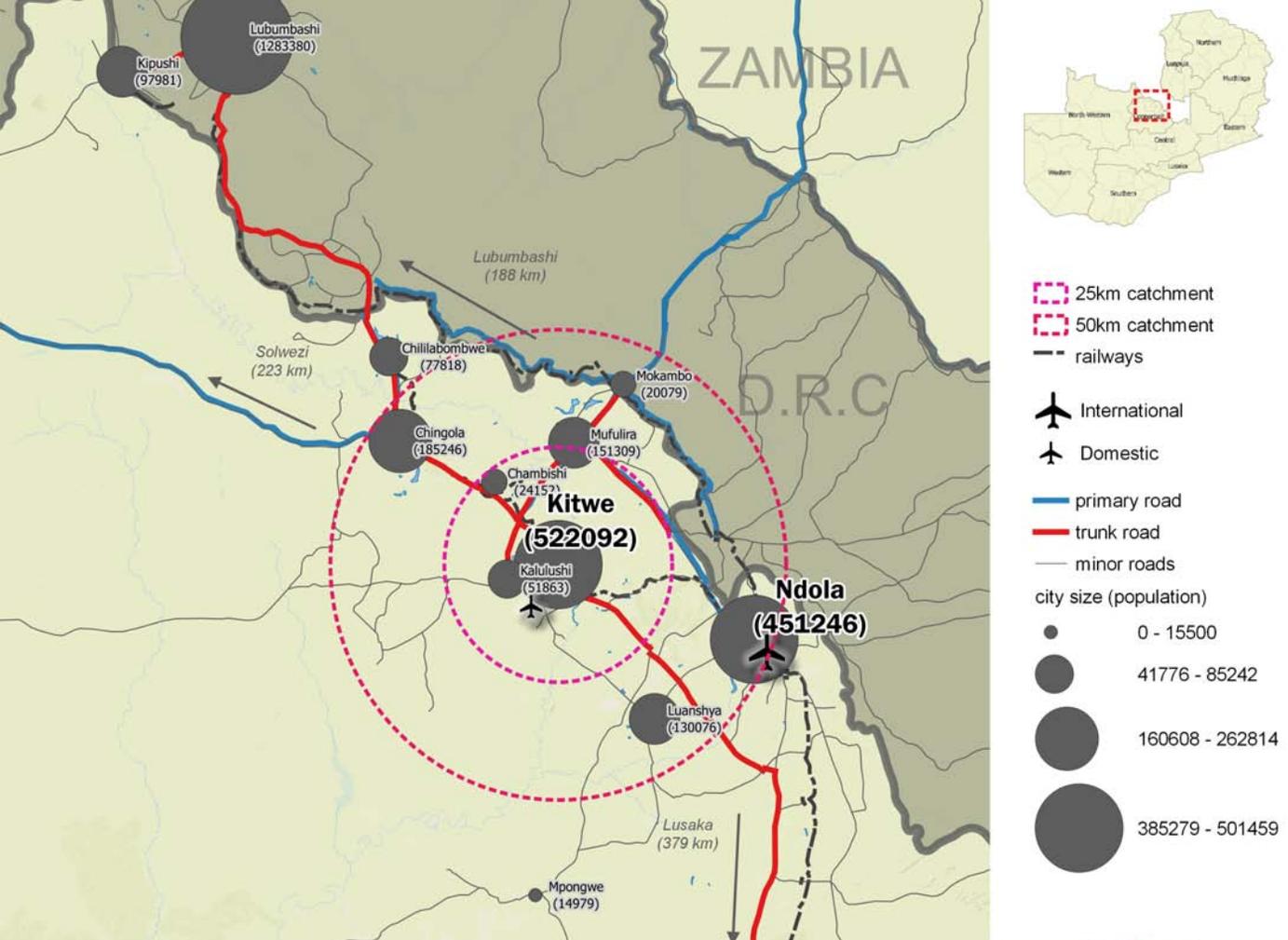
Finance and Commerce: Almost all Zambian banks have a branch in Kitwe, and all the major supermarkets are present here. Chisokone and Obote markets are hubs for retail and wholesale trade. Out of the 21 markets, 14 operate below 50% capacity while 5 are deserted and only 2 are operating at 80% capacity.

Constraints to doing business: Firms in Kitwe were far more likely to produce for the national and international markets. However, the share of firms with the main market as international had declined from 4% to 2% between 2007 and 2013 (World Bank, Enterprise Survey 2013 and 2007). The primary constraint to businesses in Ndola is practices of the informal sector (30%), followed by access to finance (23%) and access to land (7%). Access to finance as the primary constraint increased by 13 percentage points from 2007 and 2013. Conversely electricity had declined from 8% to 4%. The number of power and water outages a month had increased in the same period from 3.3 and 2.7 to 3.6 and 13.2 respectively. The national average was 6.5 outages for power and 10.1 for water.

Employment by sector and type (Copperbelt 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 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.

The local authority is in the process of finalising a district strategic analysis, and has a zero draft of its 2017-2021 plan which prioritises economic diversification, employment creation, poverty alleviation, access to social services and infrastructure development and aims to;

- Improve Service Delivery
- Improve Customer Service Management
- Efficient and Effective Human Resource Utilisation
- Attain Sustainable Financial Growth
- Establish Efficient and Integrated Business Systems

Kitwe City Council has not been able to adequately deliver services to its residents due to the liquidity problems it has experienced for a long time. The local authority has also been underspending its budget with a significant number of government posts going unfilled due to skills shortages or inability to pay market rates for key skill-sets.

100% of the land in Kitwe is state land, and consequently no need for Chiefs serving as Councilors. MP and Mayor

are both from ruling party. Kitwe is considered a ruling party strong hold as 27 of the 28 Councilors are from the Patriotic Front (i.e. only opposition Councilor is from the UPND).

Local and Regional Trade Connectivity

Kitwe District is the most central Copperbelt Town with road network to all other towns. It is connected via Chingola and Chililabombwe to Lubumbashi DRC (188km), Ndola (59 km) and surrounding towns. There are 7 paved and 12 unpaved roads of 106 km and 222 km respectively.

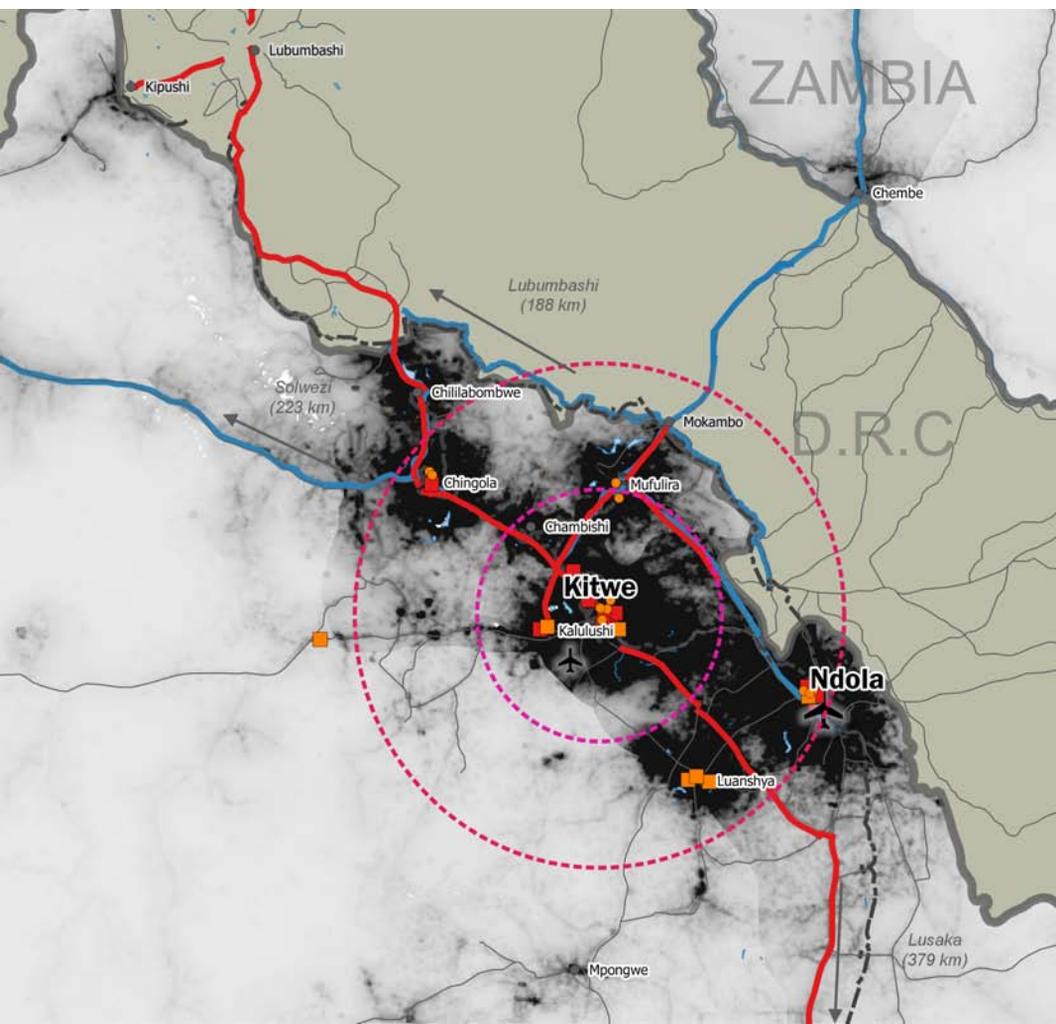
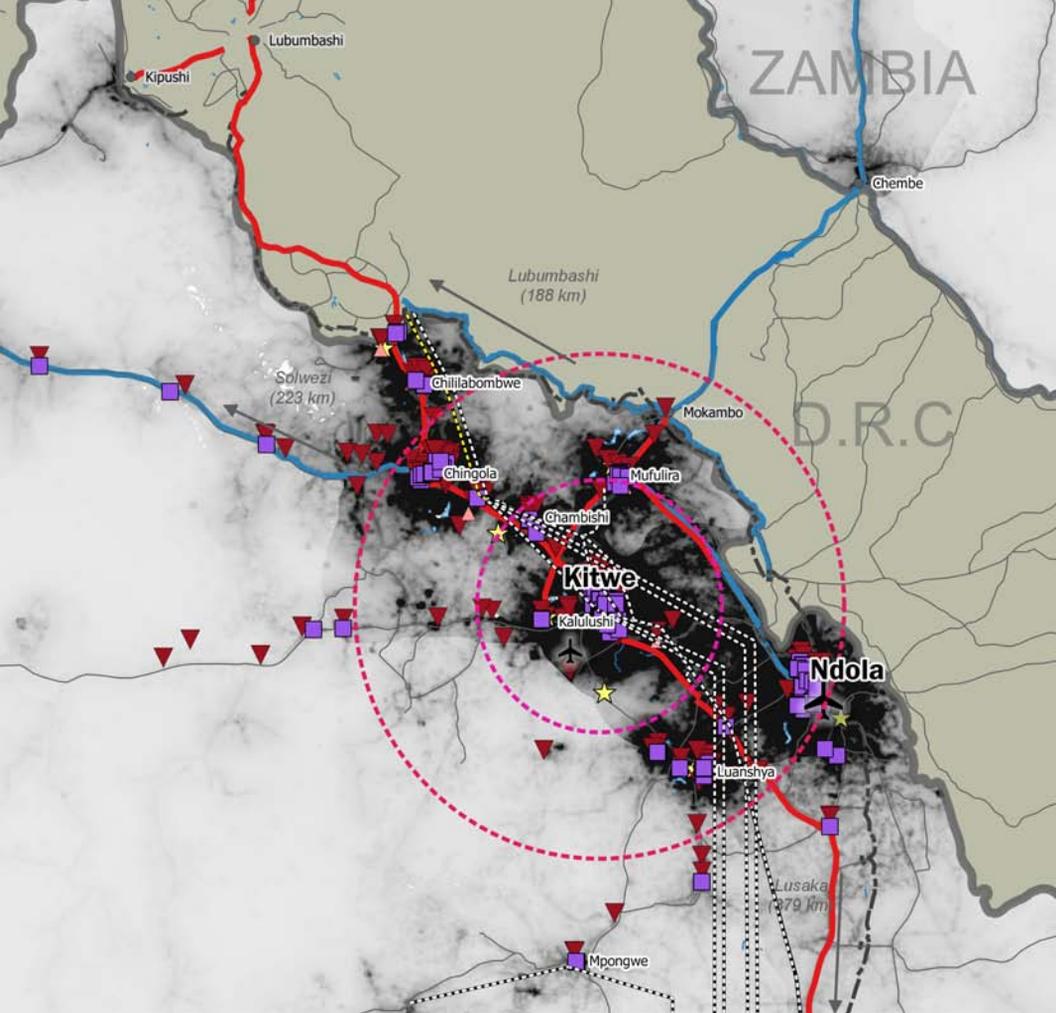
The ferry across the Kafue River is not currently operational due to stand failure, and is seasonably closed in case of high or low water levels creating transport challenges for residents.

The Urban Region

The urban region in the 100km radius of central Kitwe is home to more than 1m people.

Chingola (pop. 185,246) is the home of Nchanga Copper Mine and the 2nd largest open cast mine in the world. A freight-only branch of Zambian Railways services the town from Kitwe, and the town also serves as a spur for traffic to Lubumbashi and Solwezi.

Mufulira (pop. 151,309) is just 16km from the DRC border, and the start of the road via DRC to Zambia's Luapula province. Its economy is based around the Mufulira mine which employs 10,000 people.



Kitwe - Urban Infrastructure and Services

Key statistics / information:

- **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:** 70.7% firms experience outages; 4.7% lost annual sales; 16.9% firms own generators with 12.5% of electricity coming from generators. 13.4% firms identify energy as major constraint, compared with 27.1% nationally. (WB Ent Survey 2012)
- **Transport infrastructure:** Only 6.7% of firms report transportation as a major constraint to doing business, compared with the national average of 16.4% of firms. 13.6% of households own a car, nearly double the national average of 7%.
- **WASH to support households/SMEs:** WASH access is among the highest in the country. 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). 52% of the population is connected to the sewer system, and 35% of municipal waste is collected. Domestic tariffs for water range from 3.54 to 7.82 per m³; commercial tariffs from 9.01 to 15.50 – significantly higher than in other cities.
- **WASH constraints for business:** 23.3% firms experience water deficiencies, with firms experiencing 2.6 deficiencies a month, the same as the national average.
- **Access to housing and services:** average of 2.4 occupants per room, compared with 2.6 nationally.

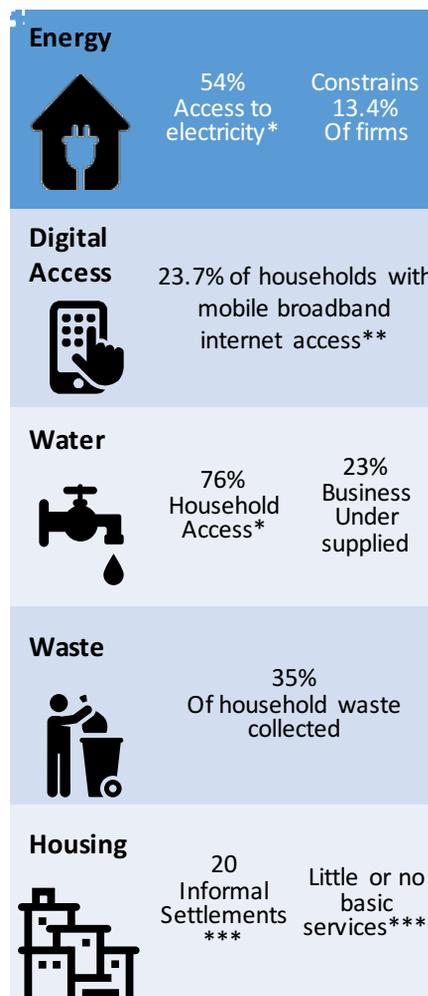
Growth constraints / opportunities: Infrastructure constraints result in lost sales, and water and energy supply are particular issues. Poor quality service provision also results in high cost of basic service provision unaffordable to average householders / SMEs.

Inclusive Growth Opportunities

Poverty and equality: Unlike most parts of the country the cost of basic needs basket in Kitwe is in line with the average provincial household income making the city relatively affordable compared to other urban areas. Kitwe district commissioner estimates that approximately 100,000 orphans and vulnerable children live in abject poverty in Kitwe. Loss of adult jobs has resulted in children working as street vendors in dangerous conditions. Fierce competition for land is also resulting in displacement of the poorest. Environmental contamination also impacts poor neighbourhoods, with district administration unable to manage severe negative impacts of mining.

Education and Skills: Kitwe is home to Copperbelt University, one of the foremost universities in the country, which also undertakes urban research in the town. Kitwe Central Hospital, one of three teaching hospitals in the country is also located here. Primary and secondary education levels are also significantly higher than the national average, with 42% of girls completing secondary education.

Women's Economic Empowerment: Whilst women's educational attainment is strong, female youth unemployment is the highest in the country (69%). There are cultural tensions with men restricting women from undertaking sought-after work. 50% of women in sex work have education certificates, but find it hard to find alternative employment.



*Provincial level data used (DHS, 2013)

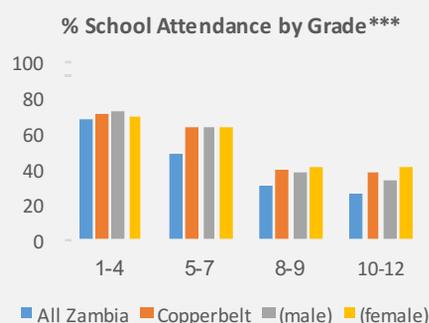
** 2013 ICT Country Survey Report, ZICTA

*** UN Habitat Kitwe Urban Profile (2009)

	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





Location of mine waste dumps in Kitwe

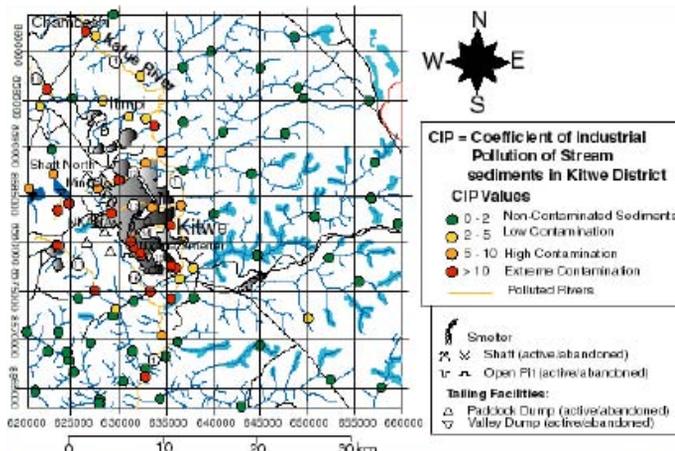
Climate and Environment

Challenges

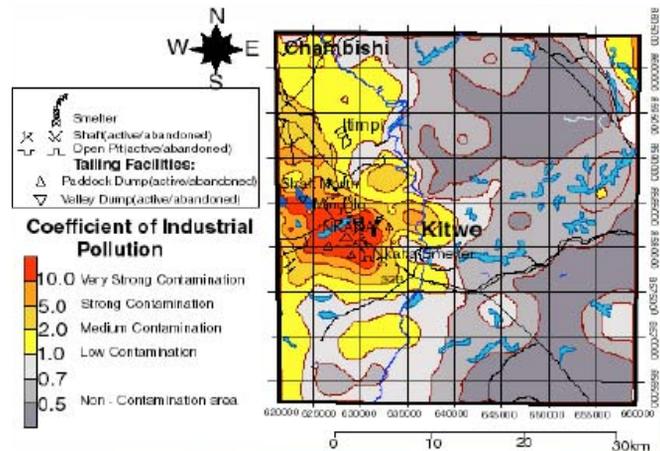
Current threats to the quality of the environment in the Kitwe district are:

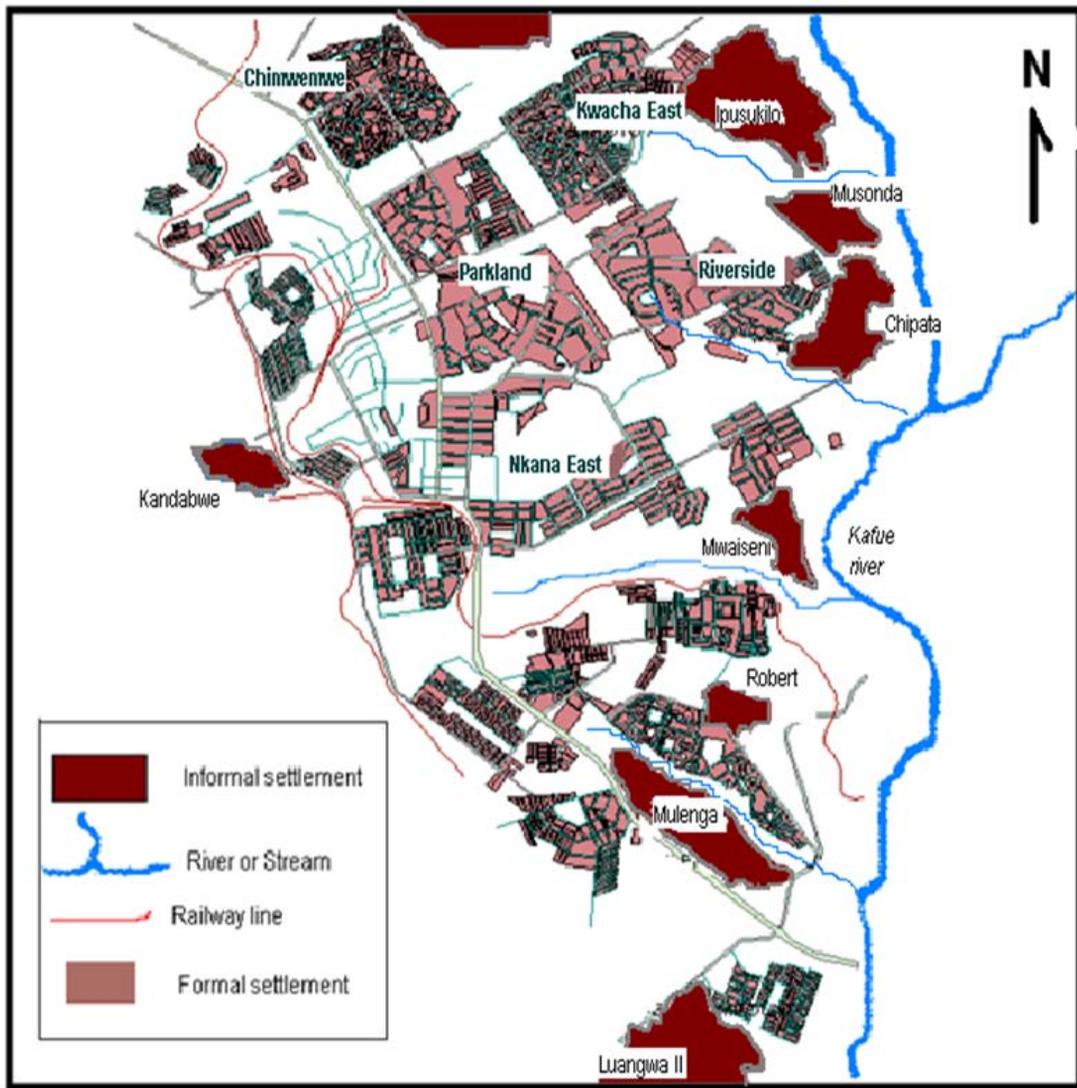
- Significant environmental challenges relating to pollution and land degradation from copper mining activities and clearing of forests.
- Malaria is the most frequently reported disease at health centres and the major contributor of high rates of morbidity. This is partly due to the increase in the number of mosquito breeding sites e.g. sand quarries and dambos.
- The high incidence of diarrhoeal diseases (most prevalent during the rainy season) particularly in peri-urban areas is due to the lack of access to safe drinking water and sanitary services. Further, there is inadequate management of domestic waste in peri-urban areas.
- Most forests in the district have been encroached by illegal settlers who have cleared forests for cultivation, charcoal production and settlements. (GRZ, 2009).
- Climate change elements of exposure in Kitwe are high temperatures, heavy rain falls, and flooding.. Hazards such as floods have also brought about a devastating blow on both infrastructures as well as on humanitarian impact in Kitwe district.
- Climate vulnerability is highest in the slum settlements due to very low levels of adaptive capacity within the low-income settlements. The main constraint to climate resilience is the low level of organisational capacity to mobilise both internal and external resources for technological capacity-building, human resource development and wealth-creation.

Pollution of streams sediments in Kitwe District. Note that high values are related to mining areas with a maximum of 65,460 ppm Cu; Modified from Kribek, Majer and Nyambe, 2007



Zones of industrial contamination in Kitwe district (defined by co-efficients of industrial pollution); Modified from Kribek, Majer and Nyambe, 2007





Source: Modified by authors using ArcGIS, 2014

Characteristics of House Ownership and Tenancy Status in Informal Settlements in the City of Kitwe in Zambia; American Journal of Sociological Research; [Thomas Kweku Taylor¹](#), [Chikondi Banda-Thole¹](#), [Samuel Mwanangombe²](#)

Climate and Environment

Opportunities

Some opportunities to promote sustainable growth include:

- Mainstreaming environmental management in the district by involving various stakeholders;
- Climate change mitigation initiatives at district level including development of monitoring mechanisms to collect meteorological data for the district.
- Strengthening of regulatory requirements for management of quarrying sites e.g. development of a policy to address illegal mining and quarrying; regulation to ensure mining activities are conducted in an environmentally acceptable manner and enforcement of relevant legislations such as the EIA.
- Encourage a multi-sectoral approach in managing forestry resources so as to avoid overlaps in management of forest resources;
- Strengthening the regulatory mechanisms and environmental policy through LA structures such as

the Town and Country Planning, Public Health and Land Acts as well as the District Development Coordinating Committee. These are necessary for input from key actors at district level.

- Promotion of use of alternative sustainable energy sources

References

- *SoE Outlook Report, 2010*
- *Figures 1 and 2 above from: Bohdan Křibek, Vladimír Majer, František Veselovský, Imasiku Nyambe, 2010, Discrimination of lithogenic and anthropogenic sources of metals and sulphur in soils of the central-northern part of the Zambian Copperbelt Mining District:*
- *George Kasali, Julius Kanyembo, Mapenzi Phiri and Mainza Sibajene, 2017, Assessing the Environmental and Socio-Economic Risk Factors of Climate Vulnerability in Low-Income Settlements of Kitwe City in Zambia, America journal of Environmental Sciences*

Major Investments

Project	Sector	Value (USD)	Project sponsors	Status
Kitwe-Chingola dual carriage way	Transport	58 million	Central government	In progress
Traffic light installation	Transport	N/A	Kitwe City Council	Complete
Solar power plant	Energy	N/A	Copperbelt Energy Corporation	Planned
Nkana Shopping Mall	Commerce		Akris Properties Limited	Complete
Mufuchani Bridge (Kafue River)	Transport	6.5 million	Central government, World Bank (loan)	In Progress
Upgrading of Copperbelt University and Mukuba University	Education	5 million	Central government	Planned
Ndola-Kitwe dual carriageway	Transport	N/A	National Roads Fund	Planned
Township roads upgrade	Transport	N/A	Kitwe City Council	In progress
Kitwe Water Supply and Sanitation Project	Water	63 million	ADB (loan)	Complete (2016)

City stakeholders

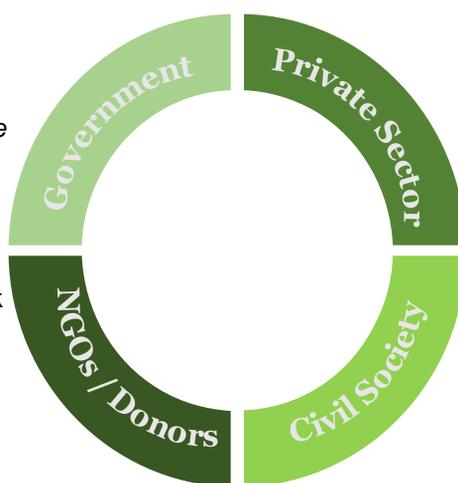
Government

- Kitwe City Council. Director of Planning is newly in office and appears very competent
- Central Government, through district commissioner and ministries

NGOs / Donors

Activity has focused on water due to the need for improved water provision

- ADB (completed water project)
- Industrial & Commercial Bank of China (water losses and land revenue)
- Devolution Trust Fund (urban water supply)
- Copperbelt Development Foundation (peri-urban water)



Private Sector

- Economy is dominated by copper mining
- Mining related services and suppliers
 - Plastic packaging manufacturing (e.g. food packaging)
- Agriculture (subsistence and commercial)
 - Trading and retail

Civil Society

- Copperbelt University
- Mukuba University

Select donor programmes active in city

Programme	Sector	Delivery Agency	Status
Kitwe Water Supply and Sanitation Project	Water	ADB (loan)	Complete

Multiple national level projects

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