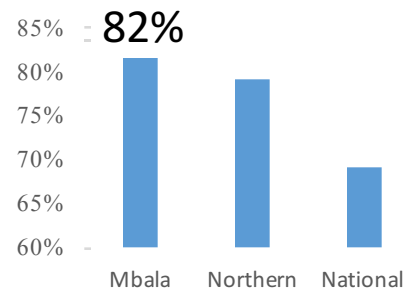
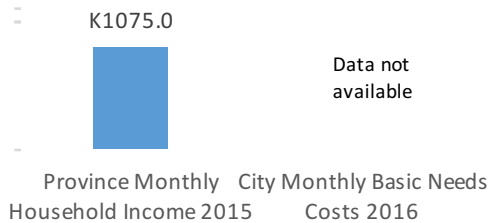
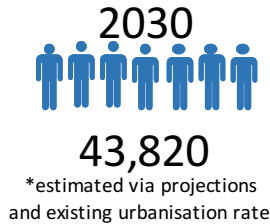
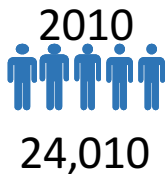


Mbala

Inclusive Urban Economic Development Diagnostic

Mbala is a small but growing town on the border with Tanzania. Unlike many border towns its economy is only loosely linked with its neighbour. Instead the town acts as an economic and service hub for surrounding rural agricultural communities, and a supply hub for nearby national parks.



Economy

The agriculture sector is seen as Mbala district's 'engine' of socio-economic growth – providing livelihoods for 70% of residents. Mbala town acts as a regional trade hub and supports rural communities. The informal sector is large (95%). There is potential for tourism growth. Major projects and investments needed to facilitate growth are described in detail in the District's strategic plan, developed by Irish Aid.

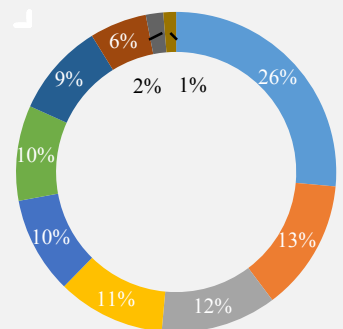
Agriculture: Primary crops include maize, beans, cassava, finger millet, ground nuts and Soya beans, and livestock (mainly cattle). Farms are primarily small scale (87%), with only 1% of farms commercial. Rehabilitation of feeder roads, improvements in storage, and fisheries and livestock infrastructure are identified as key, alongside improved sector co-ordination and private sector investment in agro-processing.

Retail / Trade: Mbala is a trade hub for cereals, livestock and non-food goods. Its bean trade covers most of northern province and areas of Tanzania. Cattle are exported on the Tazara railway via Chozi. There are low barriers to market entry, and retailers and wholesalers conduct business with few constraints. The town acts as an economic hub for surrounding rural communities providing valuable trade and services. Mbala is also linked to nearby Mpulungu Port, which provides trade links across Lake Tanganyika. There are plans for to upgrade and expand the port.

Tourism: Mbala is part of the planned 'Northern' tourist circuit, home to Kalambo falls (the 2nd tallest waterfall in Africa), the Moto Moto museum, Nsunzu mountain and historic sites. However the sector is hampered by poor road infrastructure, underdeveloped hospitality services and marketing. Tourism infrastructure development, participatory tourism management, capacity building (in particular for youth) and investment promotion are all needed to grow the sector.

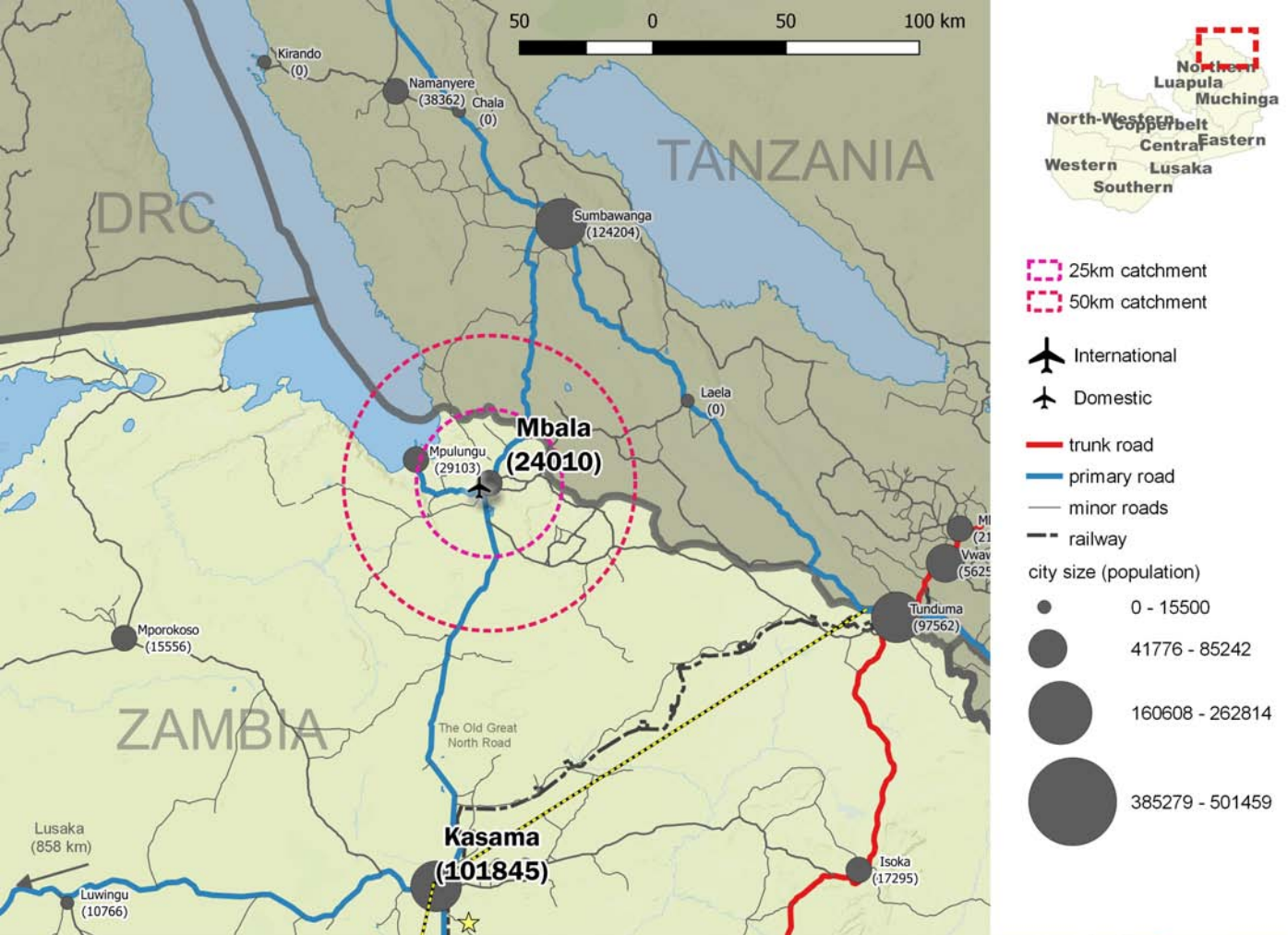
Mining: Government has recently launched an airborne geological Survey for possible mineral exploration in three selected districts in the region.

Employment by sector and type (Northern Province, 2008)



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

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 7th National Development Plan sets out the northern province's comparative advantages as agriculture, energy generation and tourism. With poor infrastructure a key constraint – and infrastructure development seen as key to poverty reduction.

Mbala District's Strategic Plan identifies economic diversification, agricultural value addition, and development of tourism as key to growth.

The plan also sets out the contingent importance of improvements in health service delivery, water and sanitation, support for women and youth entrepreneurship and skills development.

Reduction in urban-rural development inequality is identified as critical – with improved public infrastructure, roads, bridges, market centres, support to small-scale industries, and settlement planning all needed to ensure inclusive growth

Mbala district was chosen as pilot site for decentralisation, but low local government capacity means still dependant on central government for revenues

Local and Regional Trade Connectivity

- Mbala is located on the Tanzanian border, 1067km from Lusaka, and 167km from district capital Kasama

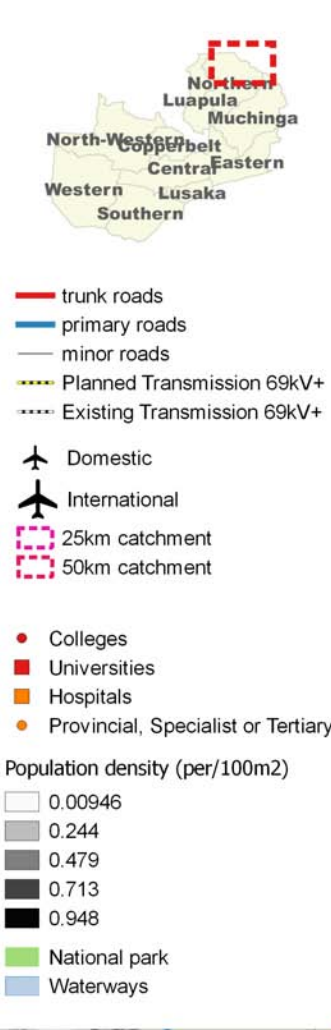
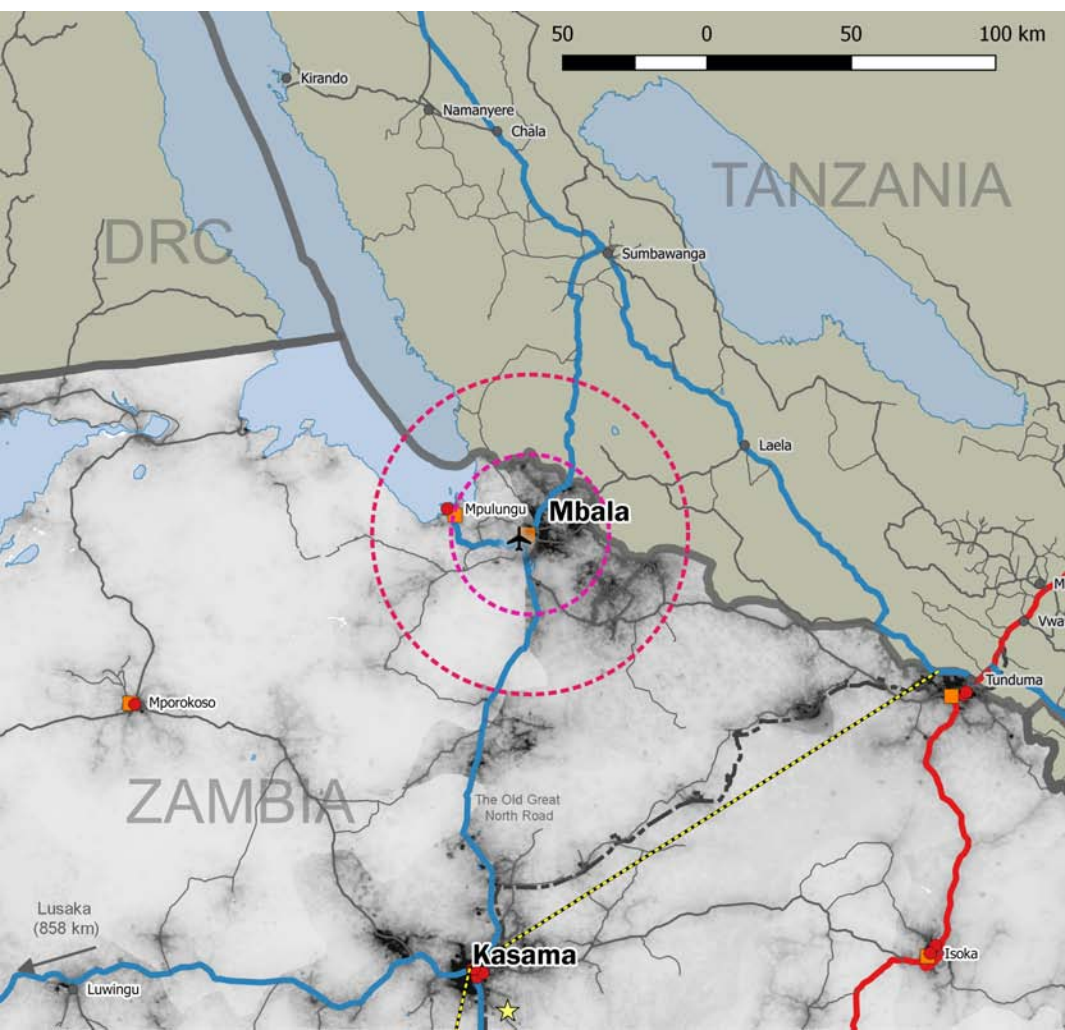
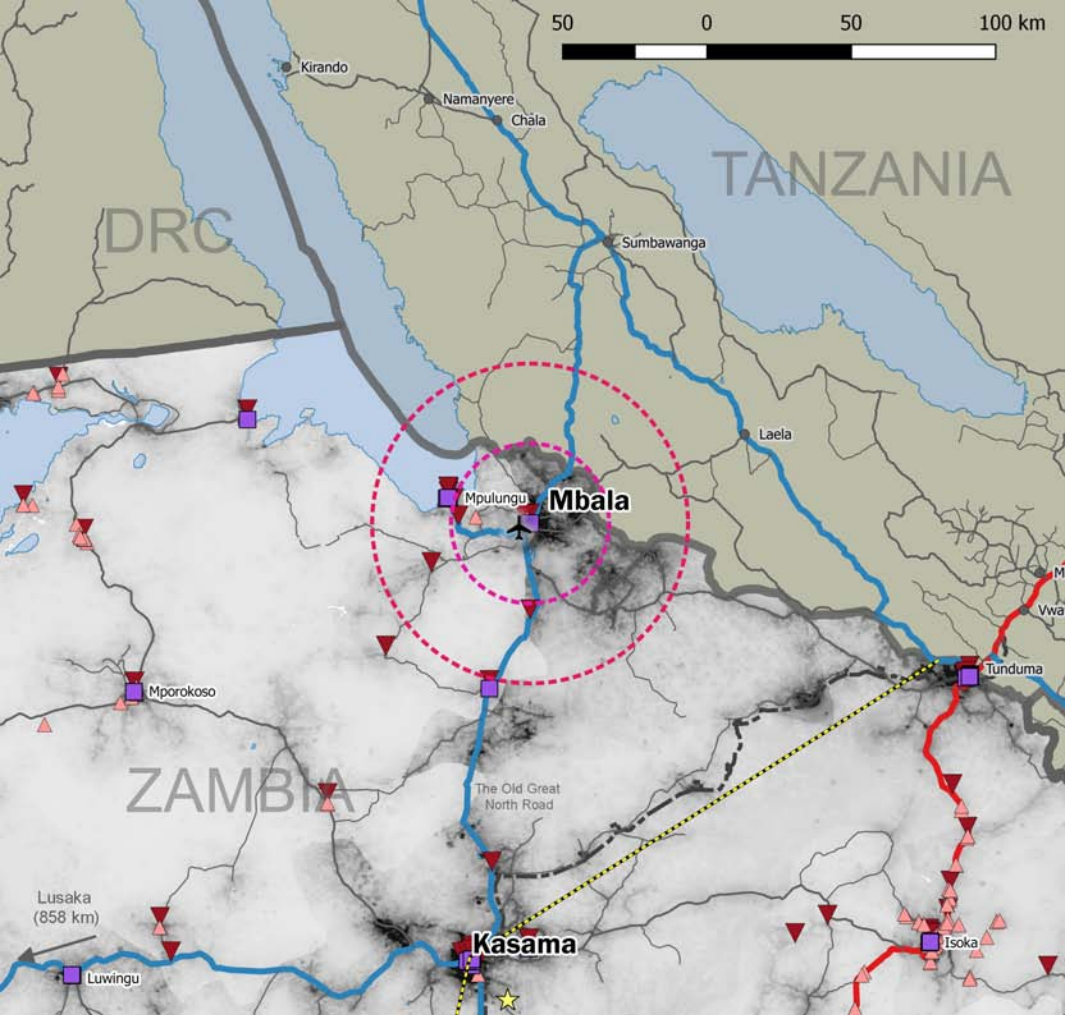
- The Tazara railway connects Zambia and Tanzania
- The location of the district near the border and its proximity to Mpulungu harbour provides an opportunity for export of agricultural products. There has been discussion of constructing a railway to Mpungulu to increase access to the port.
- The recently completed Mbala-Nakonde road will promote trade between Zambia and surrounding countries (especially Tanzania). During the moderate rain fall season most roads are passable only by four wheel drive vehicles.
- There are reports of a planned commercial flight, to be run by pro-flight between Mbala and Lusaka however to date no flights are running, therefore visitors must travel by road, or via Kasama airport.

The Urban Region

- Mbala acts as a regional urban trade centre for surrounding rural communities. There are no other significant urban centres nearby.

Climate and Environmental Challenges/Opportunities

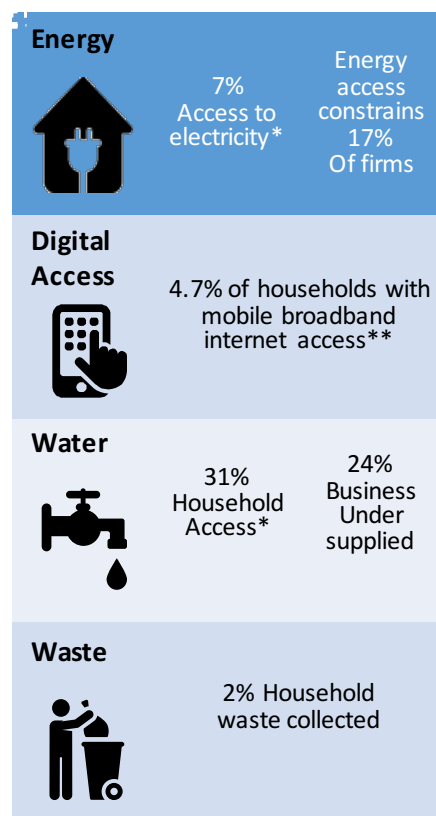
- Mbala has a temperate climate due to its altitude (1670m) and receives 1200mm of annual rainfall. The district also has abundant water courses and dambos, highly conducive to agriculture.
- The district is heavily forested in places, with Savannah in the west



Mbala - 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). The recently upgraded Lunzua hydropower station should improve electricity access.
- **Energy access for business:** The installed capacity in 2013 was 5MVA, double the demand of 2.5MVA. There were 1,500 power connections, of which 10 industrial and 70 commercial. Again, the recently upgraded Lunzua hydropower station should improve electricity access.
- **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. Just 2% of waste is collected, with 51% disposed in pits and 47% dumped.
- **WASH constraints for business:** Water supply in 2013 was only able to meet 57% of demand.
- **Access to housing and services:** Average number of occupants per room is 2.6 compared with 2.6 nationally.
- **Mobile digital connectivity:** Limited Airtel 3G in central Mbala – voice/gsm only services for surrounding communities.
- **Tourism Infrastructure:** Infrastructure projects planned to support the tourist industry include: Construction of gravel road from Mbala to Kasaba bay; Lufube river connecting Mbala to Sumbu National Park; Mbala-Kasaba Bay 66KW Power line; Kasaba Bay Airport Runway Rehabilitation.



*Provincial level data used (DHS, 2013)

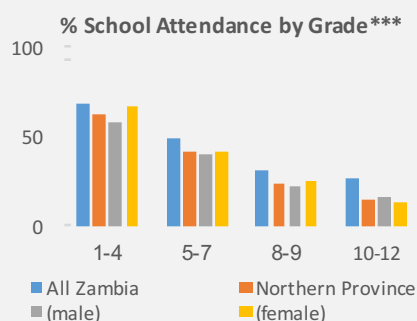
** 2013 ICT Country Survey Report, ZICTA

Inclusive Growth Opportunities

- **Poverty and vulnerability:** Mbala experiences significant economic seasonality dependant on agricultural cycles, which creates high levels of vulnerability in a district with 81% poverty. High cost of basic staples during rainy season causes deprivation, exacerbated by poor road infrastructure which prohibits transport of goods to market. Wage rates for both men and women tend to correlate with levels of demand and therefore tend to be slightly higher during the dry seasons, when demand for skilled labour (such as construction) mainly practised by the two top wealth groups is highest.
- **Women's Economic Empowerment:** Women are economically active. Almost 60 to 70percent of the petty/small trade businesses in Mbala are managed by women. 85% of fruit/vegetable traders are women, and women account for 30% of the unskilled labour force. Women also control and manage household expenditures related to both essential and non-essential household items.
- **Education and Skills:** School attendance is extremely low in Mbala, with secondary school complete half the national average. There are no tertiary education facilities. Although a university is planned in Kasama this is 170km (over 2hours travel) away making it inaccessible for most.

| | 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 |
|---|-------------|--------------------------------------|---|----------------------------------|
| Smallholder cattle project | Agriculture | 800,000 | Zambeef, Musika (non-profit company) | In progress |
| Electricity distribution investment | Energy | 2 million | Zesco (State electricity company) | Planned |
| Mbala-Nakonde road rehabilitation (part of Link Zambia 8000 project) | Transport | 180 million | Central government, Govern | Complete |
| Water & sanitation infrastructure upgrade | Water | 53 million | ADB (loan), Central government | In progress |
| Borehole drilling (part of Rural Water supply and Sanitation programme) | Water | 5,000 | Central government (Ministry of Local Government and Housing) | Complete |
| Commercialising Mbala Airport | Transport | N/A | Central government | Planned |
| Market refurbishment | Commerce | 110,000 (currently 40,000 shortfall) | Municipal government | In progress |
| Irrigation canal programme | Water | N/A | Municipal government | On hold (due to lack of funding) |
| Bus terminal | Transport | N/A | Municipal government | On hold (due to lack of funding) |
| Afforestation programme | Forestry | N/A | Municipal government | In progress |
| Upgrade & expansion of Mpulungu Port | Transport | N/A | Central government (potentially ADB, China) | Planned |
| Lunzua hydropower upgrade (15MW) | Energy | 52 million | Central government (Ministry of Mines, Energy and Water Development, Zesco) | Complete (2015) |

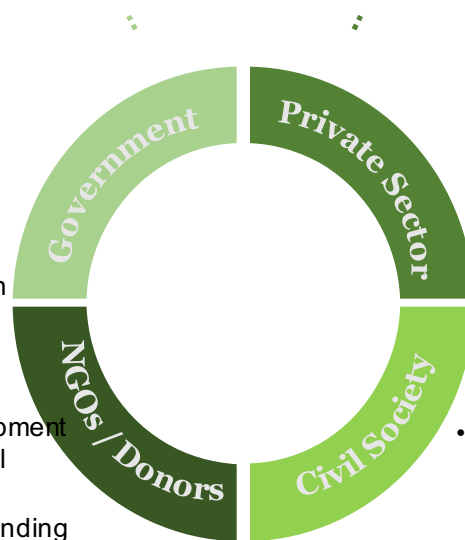
City stakeholders

Government

- Mbala Municipal Council - the council recently underwent a reshuffle
- Mbala is a small town and is struggling to fund a number of its existing programmes.
- Central Government, through district commissioner and ministries

NGOs / Donors

- Irish Aid – supported development of Mbala’s District Situational Analysis
- Self-help Africa – activities winding down



Private Sector

- Smallholder / subsistence farmers
 - Transport providers
 - Tourism / hospitality
- Forestry (heavily regulated due to limited stocks)
- The public sector is a key part of Mbala’s economy

Civil Society

- Traditional leaders own about 90% of land in Mbala. Relationship between municipal government and traditional leaders are strong

Donor programmes active in city

| Programme | Sector | Delivery Agency | Status |
|---|--------|---------------------|-------------|
| Water & sanitation infrastructure upgrade | Water | ADB (loan provider) | In progress |

Multiple national level projects

Disclaimer

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