ZAMBIA

Report of the
Study on National Development

-Growth Center in the Southern Africa-

March 2006

Engineering and Consulting Firms Association (ECFA),
Japan
Zambia and its neighbors in Africa

Sources: World Development Indicators (2004)
**Population (million)**

- South Africa: 45.6
- Tanzania: 36.5
- Mozambique: 19.1
- Angola: 13.9
- Zimbabwe: 13.1
- Malawi: 11.1
- Zambia: 10.5
- Namibia: 2
- Lesotho: 1.8
- Botswana: 1.7
- Mauritius: 1.2
- Swaziland: 1.1

**Sources:** World Development Indicators (2004)

---

**Inflation Rate (%)**

- Angola: 46.5
- Zambia: 19.9
- Malawi: 14.7
- Mozambique: 13.1
- Mauritius: 6.4
- South Africa: 6
- Swaziland: 6
- Lesotho: 5.9
- Namibia: 4.7
- Botswana: 4.3
- Tanzania: 4
- Zimbabwe: 0

**Sources:** World Development Indicators (2004)
**<Abbreviations>**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AfDB</td>
<td>African Development Bank</td>
</tr>
<tr>
<td>ADFSSP</td>
<td>Agricultural Development &amp; Food Security Support Program</td>
</tr>
<tr>
<td>BOP</td>
<td>Balance of Payments</td>
</tr>
<tr>
<td>CAS</td>
<td>Country Assistance Strategy</td>
</tr>
<tr>
<td>COMESA</td>
<td>Common Market for Eastern &amp; Southern Africa</td>
</tr>
<tr>
<td>CSO</td>
<td>Central Statistics Office</td>
</tr>
<tr>
<td>DFID</td>
<td>Department for International Development (UK)</td>
</tr>
<tr>
<td>DRC</td>
<td>Democratic Republic of the Congo</td>
</tr>
<tr>
<td>DoCIP</td>
<td>Donor Coordination in Practice</td>
</tr>
<tr>
<td>EC</td>
<td>European Commission</td>
</tr>
<tr>
<td>EPZ</td>
<td>Export Processing Zone</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>FIAS</td>
<td>Foreign Investment Advisory Service</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GNI</td>
<td>Gross National Income</td>
</tr>
<tr>
<td>HIPC</td>
<td>Heavily Indebted Poor Countries</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>Human Immunodeficiency Virus Acquired Immunodeficiency Syndrome</td>
</tr>
<tr>
<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
</tr>
<tr>
<td>IDA</td>
<td>International Development Association</td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>I-PRSP</td>
<td>Interim Poverty Reduction Strategy Paper</td>
</tr>
<tr>
<td>JICA</td>
<td>Japan International Cooperation Agency</td>
</tr>
<tr>
<td>JSA</td>
<td>Joint Staff Assessment</td>
</tr>
<tr>
<td>KCM</td>
<td>Konkola Copper Mines</td>
</tr>
<tr>
<td>MDGs</td>
<td>Millennium Development Goals</td>
</tr>
<tr>
<td>MoFNP</td>
<td>Ministry of Finance and National Planning</td>
</tr>
<tr>
<td>NCP</td>
<td>National Council on Privatization</td>
</tr>
<tr>
<td>NEPAD</td>
<td>New Partnership for African Development</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
</tr>
<tr>
<td>PRSC</td>
<td>Poverty Reduction Support Credit</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>----------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>PRGF</td>
<td>Poverty Reduction and Growth Facility</td>
</tr>
<tr>
<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
</tr>
<tr>
<td>PSD</td>
<td>Private Sector Development</td>
</tr>
<tr>
<td>ROADSIP</td>
<td>Road Sector Investment Program</td>
</tr>
<tr>
<td>RRMP</td>
<td>Road Rehabilitation and Maintenance Project</td>
</tr>
<tr>
<td>SAC</td>
<td>Structural Adjustment Credit</td>
</tr>
<tr>
<td>SADC</td>
<td>Southern African Development Community</td>
</tr>
<tr>
<td>SAPP</td>
<td>Southern African Power Pool</td>
</tr>
<tr>
<td>SEED</td>
<td>Support to Economic Expansion and Diversification</td>
</tr>
<tr>
<td>SWAP</td>
<td>Sector Wide Approach</td>
</tr>
<tr>
<td>SWSW</td>
<td>Support to Water Sector Reform Project</td>
</tr>
<tr>
<td>TAZAMA</td>
<td>Tanzania/Zambia Pipeline</td>
</tr>
<tr>
<td>TEVET</td>
<td>Technical Education, Vocational, and Entrepreneurship Training</td>
</tr>
<tr>
<td>TNDP</td>
<td>Transitional National Development Plan</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
</tbody>
</table>
Lusaka Railway Station

Proposed site for Kazungula Bridge

Market at “Compound” near Lusaka
World-Famous Victoria Fall

Large-scale Food Processing Factory

Electricity sub-station at industrial area
<Contents>

Chapter 1 Introduction .....................................................................................................................1-1

Chapter 2 Overview

2-1 Geology .................................................................................................................................2-1
2-2 Administrative Province ........................................................................................................2-1
2-3 Population ............................................................................................................................2-1
2-4 Economy ...............................................................................................................................2-2
2-5 International Trade ...............................................................................................................2-6
2-6 Foreign Assistance .................................................................................................................2-9

Chapter 3 Proposed National Development Strategies

3-1 Fifth National Development Plan (NDP) .............................................................................3-1
3-2 Acceleration of Zambia’s Industrialization ..........................................................................3-2

Chapter 4 Sectoral Development Strategies

A Transport Sector

A-1 Outline of the transportation sector .......................................................................................4-A-1
A-2 Development policy for the improvement of the transport sector ........................................4-A-16
A-3 Proposed Projects ................................................................................................................4-A-17

B Agriculture Sector

B-1 Outline ..................................................................................................................................4-B-1
B-2 Constraints ..........................................................................................................................4-B-3
B-3 Policy ......................................................................................................................................4-B-4
B-4 Proposed Projects ................................................................................................................4-B-14

C Power Sector

C-1 Present Status of the Power Sector in Zambia .................................................................4-C-1
C-2 Current Problems and Issues ...............................................................................................4-C-16
C-3 Policy for Power Development .........................................................................................4-C-18
C-4 Proposed Projects ................................................................................................................4-C-19

D Water Supply and Sanitation Sector

D-1 Present Situation of Water Supply and Sanitation in Zambia ...........................................4-D-1
D-2 Constraints in Lusaka Capital City ......................................................................................4-D-8
D-3 Constraints in Livingstone City ...........................................................................................4-D-19

E Industry and Foreign Investment Sector

E-1 General ....................................................................................................................................4-E-1
E-2 Trade and manufacturing sector ..........................................................................................4-E-1
Chapter 5 Proposed Project Profile

-Appendix-
List of Contacted persons
List of Reference
“One Village, One Product” Campaign
<List of Tables and Figures>

Table 2-1  Population Size and Growth Rates, 2000 ................................................................. 2-2
Table 2-2  Annual GDP Growth Rates Sector, 1998-2004 .......................................................... 2-3
Table 2-3  Annual Growth Rates by Expenditure Type, 1998-2004 ........................................... 2-4
Table 2-4  Progress Towards Attaining the Millennium Development Goals for Zambia .......... 2-5
Table 2-5  Summary of External Trade Statistics, 1999-2004(K Million) .................................... 2-6
Table 2-6  Major Export Commodities for Zambia, 1999-2004 (K'Millions) ............................. 2-7
Table 2-7  Zambia’s Markets for Exports between 1999 and 2004 ............................................ 2-8
Table 2-8  Official Development Assistance (ODA) for Zambia (US$m) ................................... 2-8

Table 3-1  Annual Growth Rates by Sector under the Current Growth Path, 2005-2011 ............ 3-1
Table 3-2  Comparison of GDP and Manufacturing Sector Shares Between SADC Countries and Asian Countries ........................................................................................................... 3-3
Table 3-3  Comparison of Population Sizes Between SADC and ASEAN Region ................... 3-4

Table A-1  Pavement condition of gazatted roads(2002) .......................................................... 4-A-1
Table A-2  Summary of road network(2002) ............................................................................. 4-A-1
Table A-3  Condition of paved trunk, main and district paved road network ............................ 4-A-2
Table A-4  Corridors list .............................................................................................................. 4-A-9
Table A-5  Traffic volume at Great North Road (4hours peak time, 17-September-2004) ........ 4-A-11
Table A-6  Requested projects ................................................................................................. 4-A-13

Table B-1  Irrigation Development Fund ................................................................................. 4-B-11
Table B-2  Proposed Project by Ministry of Agriculture and Cooperatives .............................. 4-B-15
Table B-3  Capital Cost Summary ............................................................................................ 4-B-17

Table C-1  Existing Power Stations .......................................................................................... 4-C-5
Table C-2  Rehabilitation/Upgrading of 3 Major Hydropower Stations ..................................... 4-C-9
Table C-3  Projects Proposed for Japan ODA .......................................................................... 4-C-11
Table C-4  Power Tariff of ZESCO .......................................................................................... 4-C-12

Table D-1  Summary of Access to Safe Water Supply in Zambia, 1990 – 2005 ....................... 4-D-2
Table D-2  Access (%) to Sanitation Facilities, 1996, 1998 and 2002 ......................................... 4-D-3
Table D-3  Summary of Access to Sanitation in Zambia, 1990 – 2005 ...................................... 4-D-3
Table D-4 Overview of Cus ................................................................. 4-D-4
Table D-5 Performances of Private Providers ...................................... 4-D-5
Table D-6 Comparison of Rising Block Tariffs ...................................... 4-D-6
Table D-7 List of WSS Project ................................................................. 4-D-7
Table D-8 Project Summary –1 ................................................................. 4-D-9
Table D-9 Project Summary –2 ................................................................. 4-D-10
Table D-10 Project Summary –3 ............................................................... 4-D-11
Table D-11 Manchichi WWTP ................................................................. 4-D-13
Table D-12 Chunga WWTP ................................................................. 4-D-14
Table D-13 Project Summary –4 ............................................................... 4-D-14
Table D-14 Project Summary –5 ............................................................... 4-D-15
Table D-15 Outline of WTP ................................................................. 4-D-21
Table D-16 Project Summary –6 ............................................................... 4-D-21
Table D-17 Outline of WWTP ............................................................... 4-D-23
Table D-18 Project Summary –7-1 ........................................................... 4-D-24
Table D-19 Project Summary –7-2 ........................................................... 4-D-24

Table E-1 Markets For Zambian Non-Traditional Exports (Unit: K billion)........ 4-E-2
Table E-2 Categorization of Imports for 1999 to 2004 (K’ Million).................. 4-E-3
Table E-3 Export Products of Zambia Trade for 1999-2004 (K’ Millions)........ 4-E-3

Figure 2-1 International Copper Prices for 2000-2006 ................................ 2-3
Figure 3-1 Trend of ODA Disbursement for Africa and Asia (1960-2004) .......... 3-2
Figure 3-2 Trend of Private Foreign Investment to Asia and Africa by DAC Countries .... 3-3

FigureA-1 Trunk, main and District paved road network ................................. 4-A-2
FigureA-2 Location of bridges / pontoon in Zambezi river ................................. 4-A-3
FigureA-3 Railroad network ........................................................................ 4-A-6
FigureA-4 Location of airports ...................................................................... 4-A-7
FigureA-5 Location of Mpulungu Port ........................................................... 4-A-8
FigureA-6 Location of corridors ................................................................... 4-A-9
FigureA-7 New road administrations ............................................................ 4-A-12
FigureA-8 Location of project (Roads/ bridge ) .............................................. 4-A-14
FigureA-9 Location of project (Rail/ Air/ Inland water) ................................... 4-A-15

FigureB-1 Agro-ecological Regions ........................................................... 4-B-2
Figure B-2  Organization Structure of The Ministry of Agriculture and Cooperatives ............4-B-13

Figure C-1  Organization of ZESCO ................................................................................. 4-C-2
Figure C-2  Conceptual Diagram for SAPP Interconnection Line ........................................ 4-C-3
Figure C-3  National Grid in Zambia ............................................................................. 4-C-6
Figure C-4  Peak Load and Power Demand ...................................................................... 4-C-7
Figure C-5  Monthly Peak Load and Demand ................................................................... 4-C-8
Figure C-6  ZESCO Supplied Energy (GWh) .................................................................... 4-C-8
Figure C-7  Energy Consumption in Sectors (GWh) .............................................................. 4-C-8
Figure C-8  Energy Consumption in Regions (%) ............................................................... 4-C-8
Figure C-9  Average Electricity Tariff in Southern African Countries ................................. 4-C-13
Figure C-10 Population Density by Each Region of Zambia ............................................. 4-C-16
Figure C-11 ZESCO’s Transmission / Distribution Loss .................................................... 4-C-17

Figure D-1  Infant Mortality Rates and Lack of Safe Water & Sanitation by Province .......... 4-D-1
Figure D-2  Unit Operation Cost and Average Tariff ............................................................ 4-D-5
Figure D-3  Operational Cost covered by Collection ......................................................... 4-D-7

Figure E-1  Trade Statistics ............................................................................................... 4-E-1
Figure E-2  GDP .............................................................................................................. 4-E-2
Figure E-3  Ratio of manufacturing industry in GDP and growth rate of GDP .................. 4-E-9