



USAID | ZAMBIA
FROM THE AMERICAN PEOPLE

Private Sector Viability Assessment: The Case of Central and Muchinga Provinces in Zambia

Local Impact Governance Activity

Submission Date: August 5, 2021

[Redacted]

[Redacted]

This document was produced for review and approval by the United States Agency for International Development/Zambia (USAID/Zambia). It was prepared by DAI Global, LLC under Contract Number 72061121C00002.

TABLE OF CONTENTS

Abbreviations	5
EXECUTIVE SUMMARY	6
1. PROJECT BACKGROUND	8
2. ASSESSMENT PURPOSE	10
3. METHODOLOGY FOR FIELD RESEARCH	11
3.1 Scope of the Assessment	11
3.2 Methodology and Stakeholder Engagement.....	11
4. LEGISLATIVE AND REGULATORY FRAMEWORK.....	13
4.1 Overview of the Business Environment, Legal and Regulatory Framework.....	13
4.2 Build Operate and Transfer Model.....	18
4.3 Outsourcing Services to Private Sector Providers.....	18
4.4 Investment Attraction and Promotion	19
4.5 Gaps Impacting Private Sector Engagement.....	19
5. FINDINGS – CENTRAL PROVINCE.....	22
5.1 Kabwe Municipality.....	22
5.2 Chitambo District.....	25
5.3 Serenje District.....	27
5.4 Mkushi District.....	29
5.5 Shibuyunji District	31
5.6 Kapiri Mposhi District	33
5.7 Itezhi-Tezhi District	35
5.8 Chisamba District.....	38
5.9 Chibombo District.....	40
5.10 Mumbwa District.....	42
6. FINDINGS – MUCHINGA PROVINCE	45
6.1 Chinsali District	45
6.2 Isoka District.....	48
6.3 Mpika District	50
6.4 Shiwang’andu District	52
6.5 Chama District	54

6.6 Nakonde District	56
6.7 Kanchibiya District	58
6.8 Mafinga District.....	61
7. CONCLUSIONS AND RECOMMENDATIONS	63
7.1 Localizing private sector engagement and building capacity for PSEs and PPPs	63
7.2 Communication between Councils and the Private Sector.....	64
7.3 The Role of Local Government in Facilitating District Private Sector Investments.....	65
7.4 Climate Change Integration	65
7.5 Business Enabling Environment.....	66
7.6 Decentralization, PSE Capacity Building, and National and Sub-national coordination.....	66
7.7 Solid Waste Management.....	66
7.8 Land Administration	67
7.9 Infrastructure Development.....	67
7.10 Water, Sanitation, and Hygiene	68
7.11 Issues for Future Consideration	68
BIBLIOGRAPHY	70
Annex 1. Private Sector Engagement Viability Assessment Tool for District Councils	71
Annex 2. Private Sector Engagement Viability Tool for Chambers of Commerce/Business Associations	77

ABBREVIATIONS

AfDB	African Development Bank
BOT	Build Operate Transfer
CBD	Central Business District
CLA	Collaborating, Learning, Adapting
COMESA	Common Market for Eastern and Southern Africa
DRC	Democratic Republic of Congo
GIS	Geographic Information System
GRZ	Government of the Republic of Zambia
LEGIT	Local Empowerment for Government Inclusion and Transparency
PPP	Public-Private Partnership
PS	Private Sector
PSE	Private Sector Engagement
PSVA	Private Sector Viability Assessment
SADC	South African Development Community
SHAHAR	Strong Hubs for Afghan Hope and Resilience
SME	Small and Medium-Sized Enterprises
STR	Simplified Trade Regime
TOR	Terms of Reference
USAID	United States Agency for International Development
ZDA	Zambia Development Agency
ZRA	Zambia Revenue Authority

EXECUTIVE SUMMARY

The United States Agency for International Development (USAID) Local Impact Governance (Local Impact) is helping Zambia build a subnational system of governance for devolved service delivery that is more responsive to citizen needs. In accordance with the USAID Private Sector Engagement (PSE) Policy released in 2018¹, business interests have an important role to play across the range of USAID technical project areas, including democracy and governance.

The private sector can offer a sustainable market-based service delivery vehicle. Furthermore, in some cases the private sector can have advantages over government services: for example in ensuring that fees are collected and that the business model's revenue and expenditures are managed, in order to make the venture worthwhile to those private sector actors. Additionally, the private sector tends to move much more quickly than government, a plus if managed carefully.

In order to better understand the potential of the private sector to engage in service delivery, Local Impact undertook a Private Sector Viability Assessment (PSVA) of the 18 districts in Central and Muchinga Provinces. The purpose of the assessment was to: (1) understand the level of private sector presence and engagement at the district level in the two provinces; and (2) identify entry points for Local Impact private sector interventions (3) to be able to provide recommendations to the Government of the Republic of Zambia (GRZ) at the national and subnational level regarding their private sector engagement and public-private partnership opportunities in Central and Muchinga Provinces. The assessment identified key private sector interest and actors in target districts in game management; solid waste disposal; water, sanitation, and hygiene; land management; agriculture; and health and education; as well as opportunities for immediate PSEs), including outsourcing, and sourcing of inputs, and public private partnerships (PPPs) such as the viability of concessions and management contracts.

In accordance with Local Impact's focus on collaborating, learning, and adapting (CLA), this assessment presents and analyzes evidence regarding the potential of the private sector to offer services to district authorities. Rather than an exhaustive and academic report, it is an action-oriented document meant to provide entry points for pilot activities that can be evaluated, adaptively adjusted, and scaled up in additional locations. As the private sector is dynamic and continually evolving, the learning in this assessment will be updated over time.

The main findings are that: (1) private sector actors are interested in providing services, especially in solid waste management, an area squarely under district council mandate,; (2) districts report lacking budgets, know-how, and budgetary authority to outsource and pay private contractors; (3) fee-based services (such as concessions) or other services like garbage collection, where reasonably priced fees are collected, are the most promising;

¹ https://www.usaid.gov/sites/default/files/documents/1865/usaid_psepolicy_final.pdf

and (4) GRZ may wish to explore in partnership with the districts to establish PPPs in the tourism and mining sectors, as both were highlighted as opportunities in the study.

The main programmatic recommendations stemming from the assessment are that Local Impact builds capacity and works with local partners to:

1) Work on the high-level goal of identifying best practices and providing guidelines for local authorities and SMEs to get involved in PSE of services at the district level. This includes:

- (a) Facilitate improved solid waste management by engaging a local business;
- (b) Work with local partners to carry out a high-quality PPP feasibility study (e.g. in Y3) that will test the hypothesis raised by the MoF that having such a feasibility study would increase the time to PPP approval; and
- (c) Support the PPP Unit to set targeted guidelines to engage local authorities and SMEs in PPPs, not just the current grand scale infrastructure (hydropower-type) projects.

2) Build the capacity of national and local GRZ institutions to engage and outsource to the private sector and make informed decisions regarding possible public-private partnerships.

- (a) Provide training and technical assistance on topics such as budgeting, building public-private dialogue, investment attraction, outsourcing and contracting the private sector (PS), PPPs, and/or feasibility and pre-feasibility studies;
- (b) Build in learning and knowledge transfer interventions between districts; and

3) Improve the mechanisms, capacity to carry out, and actions that result from Public Private Dialogue (PPD) in the districts. This includes the dual pronged approach of building the capacity of the private sector to engage in evidenced-based advocacy, and the capacity of district governments to transparently engage with and act upon input from the private sector.

I. PROJECT BACKGROUND

Local Impact will help Zambia build a subnational system of governance for devolved service delivery that is more responsive to citizen needs. The program will engage national and sub-national authorities to expand the capabilities of district-level governance bodies to deliver sustainable development outcomes, increase effective citizen and private-sector involvement in development planning and monitoring, and improve public financial management and domestic revenue generation. Local Impact is specifically working toward three objectives:

- **Objective 1:** Citizens improve their collective skills to effectively assess service-delivery needs, performance and constructively engage with the government.
- **Objective 2:** The sub-national governance system becomes more responsive to citizen needs, generates, and accountably expends revenue, and improves service-delivery outcomes.
- **Objective 3:** The program generates learning and facilitates problem-solving that supports the development of an effective, financially viable sub-national governance system for devolved services, capable of being scaled up throughout Zambia.

Under Objective 1, Local Impact will work with civil society organizations, citizens, and the private sector to raise awareness of their civic rights and support their effective participation in the sub-national system. Objective 2 activities will focus on building the capacity of district authorities to be responsive to citizen demands, especially around service delivery. Objective 3 activities are crosscutting, allowing Local Impact to capture learning across objectives to help the Government of the Republic of Zambia (GRZ) expand into a third province and build the foundation for a sub-national governance system capable of being scaled up throughout Zambia. Activity implementation will commence in Central and Muchinga Provinces, with extension to a third partner province in year three of the program. CLA management will inform implementation throughout the life of the program, ensuring that activities are responsive to local needs.

This approach is consistent with USAID Automated Directive System 201, which states that:

“CLA is USAID’s approach to organizational learning and adaptive management. Strategic collaboration among a wide range of internal and external stakeholders, continuous learning, and adaptive management connect all components of the Program Cycle and play an integral role...may be used to develop plans, implement projects, manage adaptively, and contribute to USAID’s knowledge base to improve measurable development outcomes. CLA helps ensure that USAID coordinates its investments with other development actors, grounds them in evidence, and adjusts them as necessary throughout implementation.”²

² ADS 201 01/22/2021 Partial Revision <https://www.usaid.gov/sites/default/files/documents/201.pdf>

This assessment is aligned with Local Impact’s integrated CLA approach to implementation by building the evidence base to develop, plan, and adaptively manage interventions in order to maximize impact.

2. ASSESSMENT PURPOSE

Local Impact is focusing on facilitating PSE and strengthening the capacity of district councils to structure, negotiate, and monitor PPPs around service delivery. Accordingly, Local Impact conducted this PSVA to examine private sector presence and engagement at the district level in the broader, national PPP policy context. In addition, the assessment sought to provide recommendations for program design and identify entry points for activities.

Specifically, this assessment focuses on the following areas.

- Identify potential private sector partners, such as small and medium-sized enterprises (SMEs), mining companies, game management enterprises, and large businesses interested in investing in district activities. Potential private sector actors will include service providers working in the health; education; nutrition; waste management; infrastructure; water, sanitation, and hygiene; and agriculture sectors.
- In rural and new districts, identify immediate PSE opportunities, likely addressing needs such as street maintenance and cleaning, stormwater drainage, recreational and sporting events, market management, and solid waste collection.
- Explore options for districts to participate in a demonstration PPP to improve a specific service.
- Examine the various factors affecting private sector engagement at the district level, such as the business enabling environment; provide recommendations for project design; and identify entry points for activities.
- Analyze the relevant legislative or regulatory framework and gaps impacting private sector engagement at the national and sub-national levels.
- Identify existing private sector actors and economic activities within target district boundaries.
- Provide an initial assessment of private sector actors' abilities and interests to engage with district councils to address service delivery challenges.
- Assess target district councils' private sector engagement capabilities and mechanisms that need to be improved or established to improve service delivery in each district.
- Provide recommendations for PSE opportunities to solve sub-national service delivery problems.

3. METHODOLOGY FOR FIELD RESEARCH

3.1 Scope of the Assessment

The Local Impact team conducted field research in Kabwe, Serenje, and Chitambo Districts in Central Province and Chinsali, Mpika, and Isoka Districts in Muchinga Province. The rationale was to conduct a "deep dive" in a representative sample of districts ranked as high, medium, and low performing in each province. In addition to the physical field research, the team engaged stakeholders remotely in the remaining partner districts. Once Local Impact's field offices are opened in Kabwe and Chinsali, field-based staff will follow up with additional research in surrounding districts. See below for a complete list of Local Impact's partner districts.

Province	District Council
Muchinga	Chama
	Chinsali
	Isoka
	Kanchibiya
	Mafinga
	Mpika
	Nakonde
	Shiwang'andu
Central	Chitambo
	Serenje
	Mkushi
	Kapiri Mposhi
	Kabwe
	Chibombo
	Chisamba
	Mumbwa
	Itezhi-Tezhi
	Shibuyunji

3.2 Methodology and Stakeholder Engagement

The team conducted key informant interviews and focus groups with associated ministries, agencies, business associations, and business leaders, including women-owned businesses, to fully understand private sector interests and engagement challenges. For both Central and Muchinga Provinces, the engagements started with courtesy calls to the provincial administration to secure buy-in and support from local political authorities. The Local Impact team then engaged council officials and private sector representatives through a mix of formal plenary sessions and semi-focus group discussions in the key identified priority areas of the program. Informants also completed questionnaires to complement the focus groups and interviews. The team conducted remote work through emailed questionnaires and phone interviews with some of the respondents.

To ensure that the assessment was structured, the team designed assessment tools targeting different stakeholders, which were administered during the meetings for districts where physical workshops were undertaken and electronically for some of the remote districts. Most of the stakeholder engagements in the districts visited were with council officials, chambers of commerce, and individual private sector stakeholders, with the council being the primary point of contact in all districts.

4. LEGISLATIVE AND REGULATORY FRAMEWORK

4.1 Overview of the Business Environment, Legal and Regulatory Framework

Limited access to finance, exacerbated by the government's macroeconomic policies, has severely hampered private sector growth and investment in Zambia. The cost of finance is prohibitive for many firms in Zambia. Average commercial lending rates are above 24 percent (although significantly higher for most smaller and growing businesses) and there are high collateral requirements. High government borrowing crowds out credit to the private sector and increases the cost of finance. As a result, access to finance remains a critical constraint to private sector ambitions to engage in more diversified economic activity. In addition, the competitive political landscape has led to political choices which have not sufficiently prioritized rural development and poverty reduction. For example, political incentives to maintain power have led the government to direct resources to patronage and spending in urban areas, often at the expense of addressing issues related to rural poverty. Likewise, these incentives drive national actors to develop PPPs that focus on large, long-term infrastructure projects with a broad reach in lieu of smaller projects at the district level and below.

The private sector in Zambia is further affected by several other factors that limit productivity. These include high electricity tariffs, fuel costs, and high input costs for those in the manufacturing sector. Zambia is primarily a producer of products with very little value addition. Moreover, Zambia remains a mono-economy still heavily reliant on copper mining, which accounts for 70 percent of foreign earnings, thus making the economy susceptible to shocks. Other challenges include policy inconsistency and pervasive corruption.

Labor rates also present a challenge. While hourly wages are low, actual labor costs are considered high for the region, driven by low labor productivity, stringent labor laws, generous benefits for formal sector employees, and a shortage of skilled labor. Weak skills and employment levels constrain economic activity through a lack of staff required to drive business growth.

Subsistence agriculture employs the majority of Zambia's rural poor. Better engagement with the agricultural sector, therefore, presents an opportunity for the private sector across the board. The South African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA) regions alone account for more than 80 percent of Zambia's exports to Africa, and most of these are agricultural products. However, due to policy inconsistencies relating to bans of farm products like maize and maize bran, the country has not fully exploited this sector. Botswana and Namibia are significant markets for maize bran, while Zambia lags.

Relatedly, the GRZ continues to struggle with providing adequate infrastructure and delivering much-needed services. This has constrained long-term economic growth and development. Limited resources mean that the country's huge deficit in infrastructure cannot be met by the GRZ alone. The GRZ has recognized this challenge and identified PPPs as an important tool to bridge the gaps infrastructure and service delivery.

The PPP Act #9 of 2018, which amended the principal Act 14 of 2009, provides the legal framework for PPPs in Zambia. This Act is the basis for engagement and collaboration between the public and private sector in the implementation of projects, most of which have been infrastructure related. The Act provides for public-private sector partnerships to finance construction, maintenance, and operation of any public service projects.

The Public Procurement Act 2020 lays out requirements for GRZ entity participation in procurement as well as procurement parameters. Interestingly, district councils are not mentioned explicitly in the document. Meanwhile, districts do collect own-source revenue and Local Impact will provide programming to help them to maximize and better manage these resources, which will in turn provide the means for the districts to outsource services to the private sector.

At the local level, the GRZ has recognized the direct linkage between the local revenue base and business. Analysis of the functions of the district councils elaborated in the Local Government Act of 2019 shows that they cover: general administration, advertising and agricultural control, community development, public amenities, educational transport, college, school and day nurseries maintenance, public health, including cemeteries, crematoria, and mortuaries, public order, registration of births, marriages, deaths, clubs, maintenance of sanitation and drainage services, and more specifically “to establish and maintain sanitary services for the removal and destruction of, or otherwise dealing with, all kinds of refuse and effluent, and compel the use of such services.” While some city councils like in Lusaka carry out most of the functions, newer and rural districts tend to take on the items that don't take much resources to implement such as managing existing abattoirs and issuing burial notices for deaths.

In addition, the GRZ has adopted the Local Economic Development (LED) strategy as an essential tool to unlock economic opportunities at the sub-national level. The LED process should bring together local authorities (LAs), the private sector and Civil Society Organizations (CSOs) to develop a strategy to stimulate economic activity in each district. Several private sector actors queried noted that this collaboration has been lacking.

4.1.1 PPP Policy Framework

“The private sector should participate in the construction, rehabilitation, maintenance and financing of public infrastructure under the Public Private Partnership (PPP) arrangements because leaving it to Government alone cannot bring about desired results in good time.”

President Edgar Lungu, Speech to Parliament, September 18, 2015³

A 2016 study by Iona Anyan et al. provides a helpful and concise overview of the evolution of the PPP policy framework in Zambia. According to this study, the GRZ has engaged in PPPs since the early 2000s, when the Lusaka City Council entered into a Business Operate Transfer (BOT) joint venture contract with two private parties to construct two urban markets, the Luburma Market and the ChaChaCha Market, as well as two concession agreements for the Mauling Port and the Zambian Railways. These projects were poorly managed and did not deliver the expected results, thus prompting many Zambians to view PPPs with scepticism. This led the GRZ to begin drafting PPP policies that formed the basis for the PPP Act of 2009, which:

- Created three institutional bodies to handle the management of PPPs: 1) a PPP Unit, 2) a council, and 3) a technical committee, each with different responsibilities in the PPP lifecycle;
- Described how projects are identified and how feasibility studies for projects are conducted. Provided guidance on the PPP procurement process, which included expressions of interest and proposals, the awarding and negotiation of contracts, and processing unsolicited proposals;
- Defined the ownership of assets, rights of land, transfer of controlling interests, compensation for changes in legislation, revision of agreements, takeover of projects, and termination of agreements; and
- Established different types of PPP projects that can be handled under the Act.⁴

Our analysis of the PPP ACT 2009 suggests that it has a broad definition of projects that would qualify as long as a project meets the minimum provisions below.

- The PPP Act of 2009 provides for “public-private partnerships for the construction and operation of new infrastructure facilities and systems and the maintenance, rehabilitation, modernisation, expansion and operation of existing infrastructure facilities and systems and the provision of social sector services.”
- However, the PPP ACT excludes projects which any private sector entity may take over on privatization or dis-investment by a public body.
- A public-private partnership agreement is in line with the Act where a government entity contracts a private partner with the ultimate purpose of providing a public asset or service, and the concessionaire receives a benefit for performing a public function or utilizing State property through (i) a fee from public funds; (ii) user levies collected from users (iii) a combination of (i) and (ii).

Despite this legal framework, the GRZ continued to lack “the capacity to support its goals and is unwilling to dedicate the resources needed...[this has] led to poor quality, inefficiency, and low value for money, while also blocking out SMEs in favor of huge

³ Anyan et al. 2016, p. 4

⁴ Anyan et al. 2016, pp. 7-8

multinationals. The PPP Unit has also been reorganized several times without updating the legislation to give the changes full legal authority.”⁵

According to a 2014 Zambia Development Agency (ZDA) report, PPPs in Zambia struggled due to the lack of: GRZ capacity to undertake PPP projects; financial resources dedicated to PPP projects; and clear guidelines and regulations for contracting authorities and the private sector in the implementation of PPPs. In addition there were high transaction costs and lengthy lead times that required financial, legal, and sectoral expertise.⁶ Based on consultations with national and sub-national stakeholders, these challenges are still relevant today, as the GRZ continues to struggle with establishing PPPs that are transparent, cost-effective and timely, and not subject to political opportunism.

Since the original PPP Act was passed, most PPPs have focused on large infrastructure projects, mostly in electricity (solar, coal, hydropower, and transmission), along with Information and Communications Technology (ICT), rail transport, water, and sewage.⁷

The current PPP policy was formulated by GRZ to align with the PPP amendment Act of 2018. It provides guiding principles for establishing partnerships between the public and private sector, given that the parties typically enter into them with differing expectations. The policy was aimed at safeguarding the interests of government, the private sector, and citizens. It was structured to encourage the provision of a wide variety of quality and timely public infrastructure and services. Foreseen improvements include faster project implementation, maximal leveraging of private sector funds, enhanced accountability, and the possible shifting of a whole project life cycle cost and risk of a PPP project to the private sector, including infrastructure management.

The main objectives of the current PPP policy are to:

- Leverage public assets and funds and private sector resources from local and international markets to accelerate investment in infrastructure and services;
- Encourage and facilitate investment by the private sector through creating an enabling business environment for PPPs where value for money for government could be clearly demonstrated;
- Increase the availability of public infrastructure and services to improve service delivery;
- Ensure attainment of required acceptable local and international social and environmental standards;
- Protect the interests of all stakeholders including end users, government, and the private sector;
- Set up efficient and transparent institutional arrangements for the identification, structuring, and competitive tendering of PPP projects; and

⁵ Anyan et al. 2016, p. 3

⁶ Mwenda 2015

⁷ PPP Knowledge Lab, Zambia page

- Encourage and promote indigenous private sector participation in the delivery of public infrastructure and services.

According to the World Bank Global Competitiveness report, there are 11 PPPs that have reached financial closure since 1990, valued at \$3,565,000, and eight active PPP projects under construction or operation, valued at \$3,060,000. Two of the most recent PPPs were solar powered plants: Ngonye Solar PV Plant in 2018 valued at \$45 million and Bangweulu Solar PV Plant in 2017 valued at \$59 million. The overall number of active PPPs is small.

A recently published book on *Suitable Infrastructure Projects for Public Private Partnerships in Zambia* presented quantitative and qualitative data on past and current PPP projects that are most suitable for Zambia. They included PPPs in electricity, water, sanitation, road, rail, airport, health and social services. The study recommends the promotion of PPPs in the delivery of infrastructure where gaps exist. The study also found that since the sharing of risks and rewards is a key driver for a quality private sector partner to enter into a partnership, the public sector should ensure that contracts are based on genuine evaluations of the situation and should not transfer unmanageable risks to the private sector partner nor unreasonably limit performance incentives.⁸

Publicly available research presented in policy papers and academic monographs document that large infrastructure PPPs have such high barriers for entry that local capital is rarely sufficient for these projects. They are managed and funded by international actors. As discussed later in this assessment, this was corroborated during field research in Central and Muchinga Provinces. While the desire for local PPPs was clearly held by local authorities and the private sector, there was little evidence of PPPs at the district level where access to finance is limited, PPP expertise is severely lacking, and capacity levels by both public and private sector actors is very low.

Despite the amended Act No. 9 of 2018, there are still very few PPPs that have been implemented effectively⁹ in Zambia. According to the amended PPP Act (2018), PPPs need to be vetted by a special department within the Ministry of Finance and then go to a high-level technical committee and then to a council of five ministers for approval. This process is cumbersome for local authorities with limited resources.

Some of the key PPP constraints include:

- Limited financial resources to complete full feasibility studies diminish the attractiveness of PPP projects to private investors;
- Lack of cost-reflective tariffs, particularly in the electricity sub-sector;
- Political interference and corruption in the project selection process;
- A bias towards traditional public procurement of infrastructure services rather than considering if PPPs would provide better value for money;

⁸ Mwanaumo E.M., Chisumbe S., Mbewe N., Mambwe M., Haabazoka L. (2020) *Suitable Infrastructure Projects for Public Private Partnerships in Zambia*. In: Popkova E., Sergi B., Haabazoka L., Ragulina J. (eds) *Supporting Inclusive Growth and Sustainable Development in Africa - Volume I*. Palgrave Macmillan, Cham. https://doi.org/10.1007/978-3-030-41979-0_19

⁹ Mweemba, 2015; Mambwe, et al., 2020

- Poor access to financing for the private sector; and
- Low levels of GRZ capacity to effectively manage PPP contracting and arrangement.¹⁰

4.2 Build Operate and Transfer Model

As discussed above, there are two well-known PPPs that were structured around the BOT model, resulting in the establishment and management of the Luburma and Chachacha Markets. This model was chosen to attract scarce resources to upgrade dilapidated, unsanitary, and overcrowded markets. The PPPs did not meet community expectations and the failures associated with these cases were well documented in the media. A recent study of these PPPs determined that the partnerships were poorly negotiated and managed, and subject to local politics.¹¹

4.3 Outsourcing Services to Private Sector Providers

The outsourcing model is less resource intensive with lower risks to the public and private partners than PPPs. While the PPP Act is quite broad and could technically allow for outsourcing, the cumbersome approval process makes it wiser for local authorities to simply carry out outsourcing of services outside of PPPs as a form of private sector engagement. In this model, local government services are outsourced to the private sector through a transparent competitive public tender. Such services are tendered to receive the best value for money, with the designated government entity making payment to contractors contingent on the delivery of services defined in the outsourcing agreement, thus minimizing risks to both parties. The collection, disposal and appropriate management of solid waste are appropriate services for this model.

USAID has funded diverse solid waste management capacity building globally and DAI has implemented USAID projects such as the Local Empowerment for Government Inclusion and Transparency (LEGIT) in Liberia and USAID's Strong Hubs for Afghan Hope and Resilience (SHAHAR) in Afghanistan where local governments were empowered to outsource and manage service contracts related to solid waste management. In those examples, USAID's project teams built local capacity to formulate contract terms and conditions and prepare required technical documents including geographic information system (GIS) maps, bill of quantities, and terms of references (TORs). SHAHAR supported solid waste management planning in Kabul and privatized waste collection and disposal in all 22 *Nahyas* (municipal districts) in the capital city. LEGIT supported the establishment of PPPs between city authorities and local service providers. Local Impact will learn from these experiences, ensuring that best practices are applied to the Zambia context where appropriate.

¹⁰ The report of the Committee of the National Assembly on Economic Affairs, Energy and Labor (2016)

¹¹ Risk Analysis and Management in Public Private Partnerships of Urban Markets in Lusaka, Zambia Erastus Mishengu Mwanamo, Michael Kalumbu, Mwewa Mambwe, Muntanga Mfula Lindunda.
<http://www.ieomsociety.org/harare2020/papers/354.pdf>

Lessons learned and best practices from DAI's work in other countries, include the following:

1. Most heads of councils (e.g., mayor, council secretary) are highly interested in the use of PPPs and outsourcing to improve municipal service delivery, but are hesitant to use them due to the lack of experience and framework and requisite financial resources.
2. Support for the use of PPPs and/or outsourcing by heads of council(s) is paramount. PPPs and/or outsourcing of services are used most frequently when there is strong mayoral support and the mayor creates or appoints a PPP unit, committee, or focal point charged with developing or prioritizing a PPP pipeline.
3. Every step in the process of developing, procuring, and implementing a PPP and/or contracting outsourced services should be open, fair, and transparent. Citizen review should accompany each step.
4. Appropriate contractual arrangements to protect the public interest and to allow periodic public review is a priority. Most municipalities lack the capacity to do this.

In Zambia, the district councils, through devolved government, are responsible for solid waste management services, including refuse collection and disposal. As discussed at the end of this assessment, Local Impact will identify pilot solid waste management outsourcing (or, less likely as a PPP) in a select district(s), helping district councils structure deals that deliver these services to local communities while stimulating private sector activity. Given the limited knowledge and capacity of PPPs and outsourcing to the private sector at the district level, supporting these partnership will require a range of activities throughout the life of the project. The first step will be to carry out a pre-feasibility study, that will include an examination of the best legal structure (e.g. PPP or simple outsourcing) according to Zambian legislation and feasibility realities.

4.4 Investment Attraction and Promotion

A foreign and domestic investment attraction function carried out by local authorities has potential to create a win-win for the private sector and local government. In addition to it potentially providing private sector investments, new suppliers and buyers, investment also increases the tax revenue base. For these reasons, it makes sense for district councils to allocate resources to collect and disseminate information on the private sector entities and opportunities in their districts. This can be done cost effectively through social media and online presence. An easy first step is to create an e-directory of local businesses, that can be used to disseminate information to potential buyers, investors, as well as relevant bidders for outsourcing.

4.5 Gaps Impacting Private Sector Engagement

The process of procuring projects using the PPP model is long and can involve many steps. However, the Ministry of Finance (MoF) believes that the key delays stem from the lack of proper feasibility studies would show whether the project is bankable and commercially viable. The MoF believes that if local authorities are capacitated in planning

and preparation of bankable and commercially viable projects, and proper feasibility studies are undertaken, the process could be expedited. Additionally, Section 35 of the PPP Act provides scenarios where the process can be expedited. This includes projects of short duration with low investments, projects that relate to national security, projects where the provision of the service requires the use of intellectual property, trade secrets or other exclusive rights owned or possessed by a certain person or persons, projects where there is non-response during pre-selection proceedings or a request for a proposal and exceptions with compelling public interest that the council may authorize.

Local Impact could support local authorities to conduct high quality pre-feasibility and feasibility studies. This will help the local authorities also decide whether a PPP or a traditional procurement is the best route to take. The MoF stated that there are several PPPs projects under local authorities including markets, bus stations, truck stops, car parks and converting waste to energy.

MoF also stated that the lack of PPP regulations and PPP guidelines has to some extent affected the effective implementation of PPPs at the local government level. Currently, the draft PPP regulations have been developed and require finalization. After that, the national guidelines will come next. These guidelines will provide step by step processes and protocols for undertaking PPPs within the existing legal and regulatory framework. Sector specific guidelines will be critical to ensure effective implementation and management of PPPs. MoF believes that Local Impact support to develop guidelines, will help create a clear understanding and appreciation of PPPs thereby unlocking potential PPPs at the local level which will have a positive impact on local communities. In addition, the MoF noted that PPP projects, by their nature, involve complex processes, negotiations, deal structuring and implementation, therefore, they require highly skilled professionals and a full understanding by all stakeholders. These skills are not readily available to local authorities and indeed, even at MoF.

Meanwhile, another gap assessed is related to public-private dialogue (PPD). The assessment of the district councils highlighted that they do not have clear mechanisms for systematic dialogue and collaboration with the private sector on critical issues regarding their service delivery and other concerns that affect the private sector. Most council members interviewed have no specific units to engage with the private sector. This was corroborated by private sector actors who highlighted the lack of communication between themselves and the district councils as a huge concern. As a result, the district councils often make unilateral decisions without consulting the private sector. Stakeholders suggested that one possible solution would be to establish business support services units at each council. Those interviewed from both the private and public sectors affirmed that dialogue happens typically within the framework of individual contractual arrangements.

A third, and related gap identified is that councils lack financial resources to perform their essential functions. As a result, most district councils limit their engagement with the private sector to performing functions such as land administration and licensing of business premises where they can collect fees.

In general, the assessment found that although many of the public servants interviewed expressed a considerable appetite for engagement with the private sector, unpredictable political interference from political office bearers or those connected often brings uncertainty to these engagements. In addition, some district councils cited conflicts in legislation as a barrier to public-private engagement. For example, the Road Traffic and Safety Act, which confers power for road safety and registration of motor vehicles to the Road Traffic and Safety Agency, conflicts with the councils' authority to register vehicles. Therefore, even though road safety is a function left to local authorities, they do not derive revenue from registering vehicles.

The private sector raised other concerns about a general lack of transparency regarding available business opportunities in the district. Many complained that there seems to be a bias in councils towards large companies or those connected to influential individuals, at the expense of local contractors. Even where a council advertises opportunities, they are slow to bring deals to closure. Prolonged contract negotiations often provide opportunities for corruption. Additionally, local councils typically offer short contracts running one to two years, which private sector actors complain do not allow sufficient time for return on investment for businesses. Delayed payments for work due to bureaucratic processes and budget challenges also cause partnerships to fail. As a result, the cost of doing business with local councils often outweighs the benefits for the private sector.

The district-level case studies below provide a brief overview of the fieldwork findings of the PSVA team. This data, along with the challenges associated with the current PPP legal framework described above, forms the basis for the findings and recommendations presented at the end of the assessment.

5. FINDINGS – CENTRAL PROVINCE

5.1 Kabwe Municipality

Kabwe PSVA at a Glance

Potential Project Partner: Kabwe Chamber of Commerce

Key Industries: Education, construction, health, water, sanitation, hygiene, manufacturing

Private Sector (PS) Needs: Equipment for road compacting, guaranteed and timely payment by GRZ

District Needs: Drainage and accessible roads

Opportunities for Improving Service Delivery: Enterprise directory corresponding to procurement requirements, improved social media marketing for local businesses

Constraints to Engaging PS: Lack of district budgets for outsourcing

Existing Infrastructure: Roads, railways, universities, two shopping malls, banks, multi-facility economic zone

Kabwe is situated along the Great North Road, 139 kilometers north of Lusaka and about 55 kilometers from Kapiri Mposhi in the north. Kabwe has been an important mining town for many decades, it is connected to Zambia's main railway line, which links up with another railway that goes to Dar-es-Salaam in Tanzania. The town stretches 12 kilometers from north to south and 11 kilometers from west to east. Kabwe is the capital of Central Province.

Due to high levels of pollution in the city due to unsafe mining practices, the district has shifted from mining to agriculture, manufacturing, and construction. Kabwe Municipal Council has embarked on a deliberate campaign to transform the town into city status by facilitating expansion, economic growth, and other development. In the last few years, the municipality has approved establishing a series of shopping malls, including Kabwe and Centro malls. The municipality has also facilitated the development of a multi-facility economic zone to promote agro-processing.

The commercial sector is equally active, employing many people in wholesale and retail shops. There are nine banks branch offices; Zanaco Bank, Barclays Bank, Finance Bank, Indo Zambia Bank, Stanbic Bank, Bank ABC, First National Bank, Invest Trust Bank, and Natsave Bank. There are at least three insurance companies. Light industry like dairies, bakeries, and metal work enterprises are well developed. There is also a wood production and woodworking industry in the district.

The lifeblood of the municipality's economy includes universities and colleges; Mulungushi University, Nkrumah University, Paglory College of Education, Imaculata College of Education. Other major employers are Zambia Prisons and Correctional Services and Zambia Railways. The newly arrived Zinc Aluminum Lead Copper and Ore company is a significant player in that it produces various kinds of cables for multiple machines, pots, and tools serving the national and international market. Many building companies function in the municipality. These firms have the

material, technical expertise, and workforce to undertake various construction and installation work.

5.1.1 Private Sector

Kabwe has a vibrant private sector and includes actors in education; construction; manufacturing; health; and water, sanitation, and hygiene. The Kabwe Chamber of Commerce and Industry is large and well organized with a broad membership that includes large cooperatives, parastatals, schools and universities, agri-businesses, and construction companies for both housing and road infrastructure.

The private sector in Kabwe highlighted the lack of access to affordable financing as a critical challenge affecting their work. They have limited access to funding for expanding their businesses. Another challenge that private sector stakeholders highlighted, particularly for the infrastructure sector, was the lack of equipment for road construction. Zambian contractors are unable to carry out road contracts due to limited equipment. Most contractors lamented that they could not buy equipment due to erratic GRZ payments for the work they complete. Stakeholders also highlighted the lack of competent blacksmiths and the need to develop skills in this area. The high rates for trade licenses without differentiation between small businesses and larger established companies were a further concern. In addition, the private sector noted the need to improve collaboration between the private sector and the Council. They wanted the Kabwe Council to provide publicity for private sector events, for instance, through public meetings led by the Mayor.

5.1.2 Potential Private Sector Engagement and Investment Attraction

The Kabwe Chamber of Commerce and Industry has a lively membership with many companies of all sizes and from all sectors. There is a vibrant private sector construction sector for both road and housing infrastructure. The challenge with most road construction enterprises is the lack of adequate equipment for compacting roads. There are opportunities to facilitate more foreign companies undertaking road construction, to partner with the local private sector to construct roads and drainage construction in Kabwe. It has several key institutions of higher learning and can quickly become a hub for educational services in the region. Other potential partnerships (for example, the district council attracting private sector investment through opening a business park and/or offering support and advantages such as a tax holiday) can be in value-added products such as the production of cornflake-type breakfast cereal since the district already has a solid manufacturing base. Kabwe has untapped potential in the tourism sector, and some local tourism currently exists.

5.1.3 District Council Capacity to Engage with the Private Sector

The Kabwe District Council does not have a formalized structure to engage with the private sector. Furthermore, the Local Authority is currently unable to perform most of the devolved functions due to financial constraints. This lack of funds has further affected the Council's capacity to engage with the private sector.

5.1.4 Business Enabling Environment and Services for Businesses

The assessment highlighted that there are still challenges with the business enabling environment regarding the high council fee rates charged across the board without differentiating between large companies and SMEs. The private sector noted that the Kabwe Council had no deliberate

policy to promote local business, particularly SMEs that do not have the funds to advertise their businesses. This challenge could quickly be addressed by high-ranking officials in the Council, such as the mayor, officiating at some private sector events.

The private sector indicated that land is not costly to access but that there are lengthy and complicated procedures for land acquisition with high corruption from Council officials. In addition, the private sector highlighted that Kabwe Municipal Council should create a business directory of all businesses in Kabwe. A private sector database would make it easier for the Council to ensure that local companies know about opportunities to bid for contracts.

5.1.5 Dialogue Mechanisms that Need to be Established or Improved

Kabwe Municipal Council typically dialogues with the private sector informally through the Chamber of Commerce except where PPPs exist. This dialogue needs to be formalized through memorandums of understanding through the PPP Act of 2018. The Council has not been able to effectively initiate meaningful dialogue with the private sector, due in part to political interference by political party cadres around land issues related to administration. Many private sector actors complained that Council officials use their positions to acquire land, which they later resell commercially at high rates thereby disadvantaging local businesses. There is corruption from Council officials regarding the allocation of business opportunities in the district. These opportunities are usually allocated to large companies from Lusaka that are able to pay bribes, at the expense of local enterprises.

Furthermore, stakeholders felt that the governance systems need to improve to give more autonomy to the Council to provide services to fulfil their mandates. Private sector actors noted that implementation of Local Economic Development (LED) Strategy in Kabwe could improve dialogue between the private sector and the Council. Kabwe Municipal Council could also improve public-private collaboration by implementing a deliberate policy for private sector publicity on the Council's social media platforms and promoting awareness of the economic activity in Kabwe.

5.1.6 Viability of Concessions, Operating Management Contracts and Build-Operate-Transfers

There are opportunities for creating PPP concessions and private sector operating management contracts due to differentiated sectors. Concessions for feeder roads are one of the most viable options identified by the research.

5.1.7 Potential Opportunities for Cluster District PSEs/PPPs

There is a severe challenge with the water supply in Kabwe and most districts within Central Province. There may be potential for districts to cluster to improve piped water supply, possibly through the sinking of boreholes in more than one district. There is a potential for partnerships in road infrastructure development across districts as this is one of the critical challenges highlighted in Kabwe.

5.1.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

The private sector listed the establishment of functional slaughterhouses, childcare facilities, pollution control, and garbage collection as opportunities they are interested in exploring.

5.1.9 Other Recommended PSEs to Improve Service Delivery Needs

Other opportunities that stakeholders highlighted to resolve service delivery challenges include museums, the control and sale of alcohol, local tourism, local amenities, local sporting activities, and construction of a place for the burial of animals.

5.2 Chitambo District

Chitambo PSVA at a Glance

Potential Project Partner: Chitambo Chamber of Commerce (formed but not active)

Key Industries: Education, construction, health, water, sanitation, hygiene, manufacturing

PS Needs: Road infrastructure, access to clean running water, housing units, public toilets, filling station, agricultural equipment such as tractors

District Needs: Drainage and accessible roads, and filling station

Opportunities for Improving Service Delivery: Construction of housing units, completion of clinic, clinic medical stock, boreholes, waste management,

Constraints to Engaging PS: Financial resources to develop and implement district development plans, inadequate transport

Existing Infrastructure: Chitambo General Hospital, Chitambo Secondary School, Council Guesthouse

Chitambo District is one of the greenfield districts of Central Province. It was part of Serenje District until 2012 when it was designated a new district. Chitambo is rural and underdeveloped with very little economic activity. The mainstay of Chitambo is agricultural, primarily subsistence farming. Crops include maize, cassava, finger millet, sorghum, and sweet potatoes. The district also has some livestock farming of cattle and goats.

Chitambo has an estimated population of 61,348 according to the Central Statistical Office. The district has some potential in the tourism sector with the Kansaka National Park, the David Livingstone Memorial Monument, and Kafue National Park. Most of Chitambo's tourism potential remains untapped.

5.2.1 Private Sector

The private sector in Chitambo is underdeveloped, as can be expected for a newly created district. The private sector actors that participated in meetings with the assessment team were mobilized through the Council since the chamber of commerce in Chitambo District is newly established and not active. Most of the private sector actors engaged were from the farming or trading sectors, or very small businesses such as grocery stores or butchers.

Private sector representatives highlighted a number of challenges affecting their productivity, including: the absence of a proper market for farmers to sell produce, minimal transport in the district with most having to walk long distances, the high cost of land for farming, impassable roads that make accessibility very challenging, the lack of adequate clinics and health posts, and inadequate housing infrastructure.

5.2.2 Potential Private Sector Engagement and Investment Attraction

Chitambo District has potential for private sector partners in promoting agriculture, fishing livestock, and the development of recreational facilities. There is potential for partnerships in the construction of feeder roads and plenty of potential for water, sanitation and hygiene partnerships, particularly by supplying clean running water as most households in Chitambo still use water from wells. There are viable opportunities for game ranching in Chitambo as well.

5.2.3 District Council Capacity to Engage with the Private Sector

There is very little activity in Chitambo as the formalized structure for the private sector is still developing. However, the Council has made concerted efforts to engage with the few private sector actors in the tourism and agricultural sectors. The Council is quite vibrant and has taken serious strides to improve its revenue base by constructing a guesthouse and acquiring land to build housing units. There have been steps taken towards building a clinic near the central business district (CBD). Although there are a few health posts in the district, they lack medical equipment and supplies and the hospital is 14 kilometers from the CBD, which is out of reach for most people requiring emergency medical services.

5.2.4 Business Enabling Environment and Services for Businesses

The District Council is working to create an enabling environment for businesses in Chitambo. The Council has identified and is servicing some land to establish housing units in order to enable investment in this sector. However, the private sector raised concerns that land is too costly for most of the private sector to afford. Other challenges in Chitambo include lengthy procedures for the registration of companies.

5.2.5 Dialogue Mechanisms that Need to be Established or Improved

Public-private dialogue is highly informal as there is no formalized institutional structure for the private sector in Chitambo. The private sector needs support to strengthen the Chamber of Commerce to facilitate dialogue. One possible viable dialogue platform for Chitambo could be through the formation of sectoral dialogue platforms in the agricultural and tourism sectors which could deal with issues specific to these sectors and could then be formalized into chamber structures at a later stage. Mobilization of stakeholders to participate in these groups could be facilitated through the District Agricultural Office and the Zambia Tourism Agency.

5.2.6 Viability of Concessions, Operating Management Contracts and Build-Operate-Transfers

There were no examples of concessions, operating management contracts, and BOTs in Chitambo. However, feasibility studies have been done on the rehabilitation of the Serenje Nakonde Road which is being undertaken with support from the African Development Bank (AfDB).

5.2.7 Potential Opportunities for Cluster District PSEs/PPPs

There is no filling station in Chitambo which presents a critical challenge when there is no fuel in neighboring towns like Serenje. The need for a reliable fuel supply offers the potential for a viable fuel cluster PPP for Chitambo. There is also potential in the water, sanitation and hygiene sector, given the need for integrated water systems. Lukanga Water, the state-owned water company in Central Province, is currently unable to meet the demand for piped water in Chitambo. Other potential cluster district opportunities exist in the establishment of boarding schools within Chitambo.

5.2.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

The assessment found quick win opportunities in establishing functional toilets at the household level and in public places, establishing child and daycare facilities, garbage collection, and housing construction.

5.2.9 Other Recommended PSEs to Improve Service Delivery Needs

There is a need to establish proper roads in Chitambo District and adequate transportation within the district. Currently, communities in the district lack transport and most people have to walk long distances across the district.

5.3 Serenje District

Serenje PSVA at a Glance

Potential Project Partner: Serenje Chamber of Commerce

Key Industries: Education, health, agriculture, mining

PS Needs: Roads, housing units, agricultural equipment such as tractors, mining equipment

District Needs: Access roads to farming areas, training college for nurses, burial site

Opportunities for Improving Service Delivery: Implementing the local content requirement for PPPs, especially for mining sector, and access to equipment for small scale miners

Constraints to Engaging PS: Lack of confidence in the Council due to poor past service delivery, financial constraints, no formalized platform for private sector engagement with the Council

Existing Infrastructure: Roads, hospitals, filling station, guesthouses

Serenje is an agricultural district and produces maize, beans, and sweet potatoes. Serenje is one of the largest producers of sweet potatoes in the country. The district also has some potential for mining activity for manganese.

5.3.1 Private Sector

Most of the private sector in Serenje is agricultural. The Chamber of Commerce is vibrant but relatively new, with little capacity for adequate revenue generation. The Chamber is well organized and has a five-year workplan for developing the private sector in the district that the Chamber is about to submit to the District Council.

5.3.2 Potential Private Sector Engagement and Investment Attraction

Although the mainstay of Serenje is agriculture, there is potential for partnership in the mining sector as the district has significant deposits of manganese. Some foreign-owned companies are already mining manganese, but local communities lack the finances to procure mining equipment.

5.3.3 District Council Capacity to Engage with the Private Sector

The private sector in Serenje indicated that the devolution of functions to the Council had not improved service delivery. The Council currently has no dedicated unit to engage with the private sector. However, the District Council has recently introduced collaborative meetings with the private sector. The assessment confirmed that the lack of a business support unit and general inadequate staffing means that Serenje District Council has minimal capacity to engage with the private sector on critical developmental issues.

5.3.4 Business Enabling Environment and Services for Businesses

The assessment's findings show that the private sector believes that the Council does not take deliberate action to foster economic activity within the district. Furthermore, the private sector indicated that a bias towards foreign-owned companies and corruption among Council officials are among the key factors affecting the business enabling environment. Other critical factors highlighted included a lack of access to planning documentation and poor revenue collection by the Council.

5.3.5 Dialogue Mechanisms that Need to be Established or Improved

Serenje District Council has some dialogue mechanisms with the Chamber of Commerce, which could be improved when the Council approves the district private sector development plan that the Chamber of Commerce has developed.

5.3.6 Viability of Concessions, Operating Management Contracts and Build-Operate-Transfers

There are currently no companies that are involved in these mechanisms.

5.3.7 Potential Opportunities for District PSEs/PPPs

Partnerships that would ensure the procurement of machinery for road compacting could be a viable option for cluster PPPs due to the poor road network in Serenje and surrounding areas. Another PPP or PSE option is for a potential cluster establishing a school for people with special needs, which is currently lacking. There is also potential for establishing a skills training institute within Serenje. During the meeting with the Chamber of Commerce, the private sector indicated willingness to partner with the Council in the area of solid waste management.

5.3.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

One of the immediate opportunities is the PSE provision of motorbikes for health professionals to undertake routine immunizations. Another opportunity is the establishment of adequate storage facilities for agricultural produce.

5.3.9 Other Recommended PSEs to Improve Service Delivery Needs

There is need for partnerships to procure a differential GIS at the Council level to help resolve land administration disputes. Additionally, there is a need for recreation facilities and social

amenities within Serenje. The private sector is interested in partnering with the Council to license liquor stores, establish an abattoir, childcare facilities, and firefighting services. Another opportunity is franchising for solid waste management, which the private sector is keen on providing.

5.4 Mkushi District

Mkushi PSVA at a Glance

Potential Project Partner: Mkushi Chamber of Commerce

Key Industries: Agriculture, mining

PS Needs: Agricultural and mining equipment such as tractors, bins, value-added agro-processing of products

District Needs: Access roads to farming areas, crop diversification and value addition, solar powered irrigation equipment

Opportunities for Improving Service Delivery: Mining equipment, investment in value addition for agriculture, investment in aquaculture, involvement of private sector in developing district development plans, milling plants for maize and wheat, solid waste, franchising of solid waste management, shopping complexes and feeder road maintenance

Constraints to engaging PS: PS is disorganized, except for commercial farmers; small-scale mining activities are uncoordinated

Existing Infrastructure: Roads

Mkushi District is located in the Central Province and covers an area of about 17,726 square kilometers. Mkushi District is approximately 95 kilometers from Kapiri Mposhi and 135 kilometers from Kabwe. The Great North Road runs through Mkushi District, connecting Kapiri Mposhi on the Southwest border and Serenje on the Northeast border. The district shares borders with Chongwe, Nyimba, and Masaiti Districts as well as the Democratic Republic of Congo (DRC). Administratively, Mkushi District is divided into 14 wards.

Mkushi District has an estimated population of 154,534.¹² Mkushi District has a population growth rate of 3.7 percent which is the highest in the province, posing a high demand on land to provide shelter, produce food, and rear animals. This impressive population growth offers a ready labor force for investment projects as well as a market for various goods and services. Mkushi is widely known as the food belt of Zambia. The district possesses abundant potential for growth especially with increased investments in agro-processing as well as infrastructure and mining.

The district has two forest reserves, Myafi and North Swaka, and has multiple rivers, some of which are utilized for irrigation purposes. There are three privately owned game ranches which offer minimal hunting concessions, but no tourist facilities at present. The township of Mkushi covers 11,000 hectares, inclusive of the newly extended town boundaries which have been earmarked for industrial development, housing, and the upgrading of public infrastructure.

¹² Population Summary Report: 2012

5.4.1 Private Sector

Mkushi is most famous for its agriculture sector and the Mkushi Farming Block, which consists mostly of commercial farms for wheat, maize, tobacco, and barley. Some subsistence farming takes place in Mkushi for sweet potatoes and beans.

Other than agriculture, some mining activity exists as the district has mineral deposits such as manganese, copper, and gold, though these are mined at a small scale. Entry into this industry is difficult due to the high cost of equipment and capital investments. Currently, locals are the main players and are mining at a minimal level. Despite the district being endowed with vast mineral resources, these have not yet been exploited. Mineral exploration and the establishment of mining firms in the district will greatly contribute to the district's development by creating employment as well as contributing to the national economy. The development of new mining areas is projected to support the development of other sectors through a multiplier effect from the jobs and income created. This, in turn, will ideally create a burgeoning middle-class consumer. The mining sector's challenges are high cost of equipment, uncoordinated mining activities, and low levels of investment.

Additional private sector activity exists in the fishing industry based on the Lunsemfwa River. Entry is easy and women, men, and young people all participate. There are some small-scale activities in farm produce by women and youth.

Mkushi has a viable transport sector, mostly for produce. There is some business for mobile money transactions. Mkushi has a vibrant Chamber of Commerce, consisting mostly of farmers.

5.4.2 Potential Private Sector Engagement and Investment Attraction

Mkushi has potential for partnerships in the construction of feeder roads, recycling of solid waste, and construction of a shopping complex. There is opportunity for value addition for agricultural produce from Mkushi. For the past two years, Mkushi District has produced in excess of 33,000 metric tons of wheat, 14,000 metric tons of sweet potatoes, approximately 1,800 metric tons of barley, and close to 500 metric tons of mixed beans. These are among many other cash crops such as popcorn, cowpeas, tobacco, *bambara* nuts, and Irish potatoes that have been grown in large quantities in the district. However, Mkushi has not benefited greatly from the numerous farming activities undertaken in the district because of the absence of major value addition and processing industries. Creating agro-processing plants will create jobs and change in resident's livelihoods. Some of these partnerships could include wheat milling, packaging of fruits, oil pressing plants, and bakeries.

5.4.3 District Council Capacity to Engage with the Private Sector

The Council indicated that they have minimal capacity to engage with the private sector. Even though Mkushi has an active private sector, mainly commercial farmers, the Council does not invite them to participate in relevant deliberations. There was no evidence that it utilizes the District Development Committee meetings to dialogue with the private sector. The Council has no dedicated unit or office offering business support services to the private sector, impacting the Council's capacity to effectively communicate with the private sector.

5.4.4 Business Enabling Environment and Services for Businesses

The Council indicated that there are challenges relating to inadequate land for expansion in Mkushi District, due to interference from traditional authorities. It is difficult to enforce land planning agreements between the Council and traditional leadership.

5.4.5 Dialogue Mechanisms that Need to be Established or Improved

Like most councils, there is no formalized private sector engagement strategy or mechanism which is reliable for addressing service delivery challenges as they arise. In addition, the private sector is not involved in the planning and budgeting by the Council, which makes it difficult for the private sector to hold the Council accountable.

5.4.6 Viability of Concessions, Operating Management Contracts and Build-Operate-Transfers

There are opportunities in real estate, including the establishment of viable shopping malls, housing complexes, industrial parks and multi-facility economic zones.

5.4.7 Potential Opportunities for District PSEs/PPPs

There is potential for the construction of lodges and hotels near the various tourist attractions in the district. Possible tourist attractions include Changwena Falls, Mount Mumpu and Fort Elwes, Wonder Gorge, and constructed dams, some within game farms.

5.4.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

Available opportunities are in recycling solid waste, outsourcing solid waste management, and partnerships for setting up a shopping complex and maintaining feeder roads.

5.4.9 Other Recommended PSEs to Improve Service Delivery Needs

There is an opportunity for partnerships in borehole drilling and repair to improve the water supply in the district. There are unexplored opportunities for mineral exploration.

5.5 Shibuyunji District

Shibuyunji PSVA at a Glance

Potential Project Partner: Shibuyunji Chamber of Commerce (not formed)

Key Industries: Agriculture, mining

PS Needs: Establishment of out grower schemes for livestock development

District Needs: Access roads to farming areas, value addition for processed agricultural products

Opportunities for Improving Service Delivery: Mining equipment, investment in value addition for agriculture, investment in the aquaculture, involvement of private sector in developing district development plans

Constraints to Engaging PS: No proper organization or formalization of private sector. Most Council functions have not yet been established

Existing Infrastructure: Roads

Shibuyunji District is located in Central Province. It was first moved from Central Province to Lusaka Province in 2012 by President Michael Sata, then it was moved back to Central Province

by President Edgar Lungu in 2018. It was separated from Mumbwa District in 2012. The district is situated 63 kilometers west of Lusaka and shares boundaries with Mumbwa District to the west, Chibombo District to the north, Mazabuka District to the south and Chilanga to the east. The district has a total population of 52,860; 49 percent women and 51 percent men. The main drivers of the district's economy are agriculture, mining, tourism, and trade and commerce.

5.5.1 Private Sector

Agriculture is the major economic activity in the district. Farming is undertaken at a subsistence level and substantial produce is marketed in Lusaka. The major crops cultivated include maize, cotton, soya beans, groundnuts, cowpeas, sunflower, sweet potatoes, okra, eggplant, indigenous vegetables such as *impwa* (a species of eggplant sometimes called "Ethiopian eggplant" or "bitter tomato"), and *kalembula* (sweet potato leaves). The district has benefitted from the presence of the Indian company Vagmi in Central Province since 2019 which will be involved in agro-processing and will engage 23,000 farmers in a number of districts in Central Province, including Shibuyunji.

The fishing and livestock industry has significant potential for ranching and processing meat and fish. Fishing remains a significant part of the local economy, with potential markets in the nearby districts. Poultry presents potential where economic activities are being undertaken by the local community mostly at a small scale. There is investment potential in food processing industries and commercial farms (and small-scale) for crops and livestock.

The district is endowed with a number of mineral deposits such as copper, iron, and silver. The district's subcenter in Nampundwe is a mining hub, with Konkola Copper Mines mining copper and Universal Mining Limited engaged in mining iron ore.

5.5.2 Potential Private Sector Engagement and Investment Attraction

The district has potential for private sector partnerships in mining, given the vast mineral resource in the Sibuyunji.

5.5.3 District Council Capacity to Engage the Private Sector

As a very new district, the Shibuyunji Council indicated that it currently has minimal capacity to engage with the private sector. The private sector indicated that there is a general lack of interest by the Council to prioritize economic development in the district.

5.5.4 Business Enabling Environment and Services for Businesses

The private sector has indicated that the wait time for registering a business in Shibuyunji is reasonable. However, land is costly to acquire and there are lengthy procedures for land acquisition and inadequate business support services.

5.5.5 Dialogue Mechanisms that Need to be Established or Improved

The Council engages with the private sector in ad hoc ways. Dialogue has improved since the Council developed a business directory and began involving the private sector more in strategic planning.

5.5.6 Viability of Concessions, Operating Management Contracts and Build-Operate-Transfers

There may be possibilities for PPP arrangements to support infrastructure such as dams, sporting facilities, and public amenities like bus stations.

5.5.7 Potential Opportunities for Cluster District PSEs/PPPs

The district's tourism potential is high because of the Blue Lagoon National Park which is shared with Mumbwa. Opportunities exist for investments in the development of hotels and lodges to support the tourism potential. The district's proximity to Lusaka can help increase its tourism inflow once supporting infrastructure is developed.

5.5.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

There are viable opportunities for establishing food processing industries such as milling, grain packaging, oil pressing, and tanning of hides.

5.5.9 Other Recommended PSEs to Improve Service Delivery Needs

There is high investment potential for establishing manufacturing industries in the district as there is currently no major manufacturing taking place in the district. The proximity to Lusaka and the availability of road infrastructure, land, and reliable energy all support the establishment of a manufacturing hub in the district. There is opportunity for investment in infrastructure to support value addition in various sectors, especially in agro-processing.

5.6 Kapiri Mposhi District

Kapiri Mposhi PSVA at a Glance:

Potential Project Partner: Kapiri Mposhi Chamber of Commerce

Key Industries: Agriculture, mining, transportation, education

PS Needs: Improved access to markets, equipment for value addition, investment in crop diversification and livestock development

District Needs: Infrastructure development, especially storage facilities, road maintenance

Opportunities for Improving Service Delivery: Mining equipment, investment in value addition for agriculture, investment in aquaculture, need to involve the private sector in developing district development plans

Constraints to Engaging PS: Council financial constraints

Existing Infrastructure: Roads, rail, university

Kapiri Mposhi is located in the Central Province approximately 60 kilometers north of Kabwe and 140 kilometers south of Ndola and is situated along the Great North Road. Kapiri Mposhi covers an area measuring approximately 18,250 square kilometers. Kapiri Mposhi's population is estimated at 253,786 according to the 2010 Census of Population Statistics Report. The district has the third highest population growth rate in Central Province at 2.1 percent. The district's population is likely to continue growing due to increased economic activity, among other factors. The district is an agricultural production area, which is enhanced by the presence of major transport infrastructure such as railways and primary road networks that provide connectivity to other provincial production centers and markets.

5.6.1 Private Sector

Kapiri Mposhi is mainly an agricultural belt. It has naturally occurring swamps which can support rice plantations along the Lukanga Swamps, banana and sugar plantations, and the processing of produce such as tomato and mango. Furthermore, Kapiri Mposhi has many bodies of water that can support fish farming such as the Mulungushi River and Dam, Lunsemwa, and Lushimbili. Other businesses focus on horticulture since the district has favorable soil conditions that support the production of mangoes and oranges, among other produce. The agricultural sector has a number of challenges, such as limited access to markets. Although the Kapiri Mposhi CBD is a railway and transport hub, the roads connecting the center of the town to the rural agricultural areas are poor and require significant upgrades.

Other private sector actors are in the mining industry. Most of the large mining companies are foreign-owned and most locals are only involved small scale mining. There are large mining companies extracting zinc, iron, and manganese. Another vibrant sector is the transportation industry, mainly heavy duty and light trucking. Kapiri Mposhi sits on the confluence of five provinces (Copperbelt, Northern, Luapula, North Western, and Muchinga Provinces) providing a viable business environment for the transport sector. Other private sector actors run grocery stores and sell farm fresh produce.

5.6.2 Potential Private Sector Engagement and Investment Attraction

The district once had a vibrant Kapiri Glass Factory, which closed in the mid-1990s. The country at large does not have any glass manufacturing, which makes this a unique opportunity. There are still large deposits of clay for the production of ceramic products, and it may be worth exploring what it would take to make this sector viable again.

5.6.3 District Council Capacity to Engage the Private Sector

According to the Kapiri Mposhi Council, the Council has good capacity to engage the private sector and there are regular consultations with the private sector on a number of key issues. Kapiri Mposhi has an active Chamber of Commerce comprising both large companies and small-scale traders.

5.6.4 Business Enabling Environment and Services for Businesses

The Council indicated that it has taken strides in improving the business enabling environment and that procedures for registering a business are reasonable. However, there are challenges relating to land administration and ongoing interference from traditional leadership on the allocation of land. The private sector has an unclear understanding of land allocation procedures at the Council level, suggesting significant sensitization must occur to ensure that the private sector understands land administration.

5.6.5 Dialogue Mechanisms that Need to be Established or Improved

Dialogue with the Council is currently occurring through the Chamber of Commerce. According to the Council, this could be improved by inviting the private sector into all relevant Council programs.

5.6.6 Viability of Concessions, Operating Management Contracts and Build-Operate-Transfers

Due to its strategic central location, Kapiri Mposhi has had viable contracts particularly through maintenance of the railway line and expansion of road infrastructure. In 2012, ZDA signed a contract with SATRA Zambia for the construction of a dual carriageway road between Lusaka and Kapiri Mposhi of 210 kilometers. The contract with SATRA Zambia was for the provision of techno-economic and environmental studies and engineering design in preparation for the upgrading and creation of the dual carriageway. A dual carriageway was necessitated by increased congestion on the road and the project is expected to ease the flow of traffic and enhance economic activities. Periodic contracts are offered to other companies for the maintenance of this stretch of road.

5.6.7 Potential Opportunities for District PSEs/PPPs

The district's strategic location presents opportunities for investment in the tourism sector. These opportunities include the construction of hotels, airports, museums, and other tourism support structures. The tourist attractions in the district include Mulungushi Rock of Authority, King George VI College, Kabwale Rocks, and Lukanga Swamps. There is potential for setting up a cultural center as the district is home to various ethnic groups that have rich cultural traditions.

5.6.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

From the private sector perspective, they would like to see agro-processing development, as the district currently grows a large selection of agricultural produce. This requires access to finance and the provision of extension services to increase productivity. Another quick win opportunity is the outsourcing of solid waste management.

5.6.9 Other Recommended PSEs to Improve Service Delivery Needs

The central location of Kapiri Mposhi provides a good opportunity for warehousing, transit logistics, and wholesale business. There is a large number of small-scale traders that need to be organized into formalized sector groups or cooperatives in order to harness their capacity for dairies, fish farming, and livestock development. There are opportunities for skills development that other districts can tap into through Mulungushi University. Lastly, there are good investment opportunities for transit accommodation such as hotels and lodges.

5.7 Itezhi-Tezhi District

Itezhi-Tezhi PSVA at a Glance

Potential Project Partner: Itezhi-Tezhi Chamber of Commerce (to be formed, support of formation is a possible project intervention)

Key Industries: Fishing, agriculture, retail, energy

PS Needs: Establishment of value adding industries for livestock and fish products

District Needs: Feeder roads, better access to markets for agricultural produce

Opportunities for Improving Service Delivery: Mineral exploration, need to involve the private sector in developing district development plans, improved access to land

Constraints to Engaging PS: Private sector not organized

Existing infrastructure: Roads, hydropower, hospitals, abattoirs

Itezhi-Tezhi is located in the southwestern part of Central Province and lies at approximately 175 kilometers north of Mumbwa and 62 kilometers west of Namwala District across the Kafue River on the North Bank. It borders Luampa in the west, Kazungula and Kalomo in southwest, Choma in the south, Namwala in the southeast and Mazabuka District in the east. The district has a population of 68,599 with an annual growth rate of 4.8 percent.

The district has a lot of potential in the agriculture sector with livestock accounting for about 35 percent of total agricultural production. About 58 percent of landmass is arable. The district possesses a conducive climate and water resources that can support a vibrant agriculture sector. The district has a variety of fish species such as *kapenta*, breams, pike, and silverfish, among others. This industry has great potential in terms of canning and other types of fish processing to meet the nation's fish deficit and for export.

Itezhi-Tezhi District is located in the heart of the Kafue National Park with abundant natural resources that include wildlife, forest reserves, birds, and heritage sites. Investments in infrastructure development such as the construction of hotels and lodges have high potential in the district due to its many tourism attractions.

5.7.1 Private Sector

The fishing sector is relatively developed due to Lake Itezhi-Tezhi. The sector has a number of challenges, including the lack of processing facilities for fish products, long distances to the market, and a poor transport network.

Other private sector actors are in the agriculture and livestock sectors. Livestock agriculture and trading is the main agri-business, boosted by two abattoirs belonging to Gure Beef and Gayow Beef. Two other abattoirs are coming up in the area. Zambeef has a livestock center and buys live animals from farmers. The sector has some challenges, including a high disease burden for livestock, high cost of vaccines, and a lack of a diverse market for livestock products, which are predominantly bought by Zambeef.

Another industry in Itezhi-Tezhi is tourism as it is home to the Kafue National Park with abundant wildlife, forest reserves, birds, and heritage sites. Loongola Hot Springs with one of the hottest water temperatures, and other attractions include Mabiya Hot Springs, Itezhi-Tezhi Lake and dam, and heritage sites such as ancient caves and tunnels. Nkala and Namwala Game Management Areas offer tourism to foreign and local nationals. However, this sector is not fully exploited as there is low demand from locals, high taxes, and limited capital for expansion.

The Itezhi-Tezhi hydropower station produces 120 megawatts and is owned by ZESCO. The available power is ideal for economic development driven by the private sector. This is the main employer in the area, especially for men. The power station supports various investments in the area. Entry into this industry is not easy due to the high capital investment required and stringent government regulations, which make it a highly protected sector.

Other private sector actors are in the transport sector, mainly for the transportation of fish and fish products, and the mobile money industry. Mobile money is seasonal as it is heavily influenced by agricultural activities.

5.7.2 Potential Private Sector Engagement and Investment Attraction

The district has potential for partnerships in the processing of fish and fish products, specifically canning fish, due to the significant fish stocks in this district. The district has potential for partnership in the tourism industry. Investments in infrastructure development such as the construction of hotels and lodges have high potential in the district.

There is potential for partnerships in the mining sector as there are significant deposits of amethyst in the district. In addition, the district has scope to expand the livestock industry for processing meat products, especially with the construction of the first ever abattoir in the district.

5.7.3 District Council Capacity to Engage with Private Sector

The Council in Itezhi-Tezhi has no business unit and low staff capacity for engaging with the private sector. There is no active chamber of commerce in this district. The Council lacks resources to develop and implement district development plans which could be an avenue to dialogue with the private sector.

5.7.4 Business Enabling Environment and Services for Businesses

According to the private sector, it is challenging establishing a business in Itezhi-Tezhi due to lengthy procedures for registration, costly land, a lack of business support services, and bureaucratic procedures by the Council.

5.7.5 Dialogue Mechanisms that Need to be Established or Improved

The Chamber in Itezhi-Tezhi needs to be formed in order to facilitate dialogue between the Council and the private sector.

5.7.6 Viability of Concessions, Operating Management Contracts and Build-Operate-Transfers

The \$250 million power plant run by Itezhi-Tezhi Power Company, is a joint venture between ZESCO, the Zambian state-owned power company, and TATA Africa. Another viable opportunity is the construction of an airport. In 2016, the GRZ signed a memorandum of understanding with Radixus to construct the airport using a PPP mechanism, whereby Radixus finances, designs, builds, operates, and transfers the airport after 25 years. These PPP arrangements are all managed by the central authorities.

5.7.7 Potential Opportunities for District PSEs/PPPs

The potential cluster PPP opportunities in Itezhi-Tezhi are in road infrastructure development as there is a poor road network in the district.

5.7.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

There are quick win partnership opportunities in the transportation industry which are viable but currently underdeveloped. There are also opportunities for establishing value-adding industries for agro-processing and fisheries. The government has already allocated land for this.

5.7.9 Other Recommended PSEs to Improve Service Delivery Needs

The district has earmarked land to establish manufacturing industries for processing meat and fish products to encourage investments in these industries. In addition, there is a lot of potential

for investment in the tourism sector as the district has rich fauna and flora in the national park. There are also heritage sites such as the Nakalombwe Hills and the old Nkala Mission, along with ancient caves and tunnels. The required infrastructure to support tourism is, however, mainly lacking in Itezhi-Tezhi.

5.8 Chisamba District

Potential Project Partner: Chisamba Chamber of Commerce (support the formation)
Key Industries: Agriculture and Transportation and Meat Processing (Fringilla Farm, Zambeef)
PS Needs: Livestock Extension Services, diverse market for agriculture produce
District Needs: Feeder roads, better access to markets for agricultural produce
Opportunities for Improving Service Delivery: more processing of meat produce, value addition for cereal crops
Constraints to Engaging PS: Private sector not organized, Council not very proactive in engaging private sector
Existing infrastructure: Roads, hotels, lodges

Chisamba District, located in the central part of Zambia, covers a total surface area of 5,526 square kilometers. It shares borders with Kabwe district on the north, Kapiri Mposhi district to the northeast, Luano district to the south-east, Chongwe to the south and Chibombo to the west. Chisamba's proximity to Lusaka city (85km) and Kabwe (130km) offers private sector opportunities. The district has a total population of 103,983.

The main driver of the district economy for domestic and economic sustenance is agriculture and related activities. About 90 percent of the district inhabitants depend on agriculture for their livelihood including both the growing of crops and animal husbandry. The district has significant commercial and subsistence farming with 32,000 small scale household farms and 256 commercial farmers.

Crop production covers 15.4% of farmed land while livestock farming takes up the rest. Small scale farmers cultivate an average of about 2.5ha of various crops, mainly maize. Chisamba district lies in region where the growing season is from November to April. Drought is not frequent in this region, and frosts are rare and only occur in some areas of the district. Intensive farming systems (mechanized and with irrigation), if applied, would increase productivity more than 20 times. Chisamba district is divided into 3 Agricultural Blocks: Chisamba, Muswishi and Chankumba. These Blocks are further divided into 11 Agricultural Camps.

5.8.1 Private Sector

Livestock agriculture and trading is the main agri-business in the district. The big players include Fringilla Farm, which focuses on meat processing at Fringilla. In addition, Zambeef has a livestock center and buys live animals from the farmers. However, small farmers in the sector face challenges, including a high disease burden for livestock, a high cost of vaccines, and a lack of a diverse market for livestock products. As a result, Zambeef is the predominant buyer.

Chisamba also has activity in the hospitality industry with three large lodges and one hotel. This sector has the potential to expand through agro-tourism (similar to Fringilla) and boost the

economy of the district and country at large. Other private sector actors are in the transport sector, mainly for agriculture products and the mobile money industry. Mobile money is primarily available in the CBD and is seasonal, in line with the agricultural cycle. In addition, there are several private sector actors involved in wholesale trade at the CBD. This business is viable and easy for new entrants. However, the biggest challenge they face is access to finance.

The construction of Momboshi Dam Project has opened up huge potential for diversification within the agriculture sector, namely, to add aquaculture. Investment opportunities in agro-industry for processing and packaged foodstuffs such as jam, fruit concentrates, vegetables and tomatoes processing, dairy processing, meat processing and honey remain ripe for exploitation.

5.8.2 Potential Private Sector Engagement and Investment Attraction

Chisamba has potential for partnerships in food processing of meat and cereal products. In addition, there is also potential for collaboration in the tourism industry. Tourism opportunities in the district can be through the creation of agrotourism garden routes through the vast farming area and the newly constructed Momboshi Dam, which offers opportunities in water-based recreation such as speed boats, cruises and sports fishing. These activities could supplement the renowned October Fest food and beer festival held annually at Fringilla farm.

Chisamba can also develop the nascent mining sector as there are significant deposits of minerals such as gold, copper, iron ore and silver.

5.8.3 District Council Capacity to Engage with Private Sector

Chisamba Town Council does not have a formalized structure to engage with the private sector. Furthermore, there is no active Chamber of Commerce in the district for the Local Authority to engage. Additionally, the Council does not currently have the resources to perform most of its functions.

5.8.4 Business Enabling Environment and Services for Businesses

It is challenging to establish a business in Chisamba due to poor road networks, drainage, and bridges to access the areas where most small-scale farmers live. Like the rest of the country, the lack of access to finance for entrepreneurs is a significant obstacle. Further, there are inadequate agriculture and livestock business support services.

5.8.5 Dialogue Mechanisms that Need to be Established or Improved

Chisamba Council currently has challenges dialoguing with the private sector due to governmental cadres' political interference, especially around land administration matters, thereby disadvantaging the private sector. Furthermore, stakeholders felt that the governance systems need to improve to give more autonomy to the Council to provide services to fulfil their mandate. On the other hand, the private sector also does not have an active Chamber of Commerce.

5.8.6 Viability of Concessions, Operating Management Contracts and Build-Operate-Transfers

The \$5.46 million Momboshi Irrigation Development Support Program is a PPP arrangement. Momboshi area, the 1.7 kilometers long dam wall has been constructed at cost of \$31 million.

The contractor, a Chinese firm called Anhui Foreign Economic Construction Company (AFECC), completed construction of the Momboshi Dam eight months ahead of schedule. The Dam was commissioned by President Edgar Lungu in December 2018. This will likely improve the agricultural yields particularly in the long dry season. There are also other opportunities for creating PPP concessions and private sector operating management contracts and build-operate and transfer in the district. For example, construction and maintenance of feeder roads and building more dams for irrigating the small farms are possible concessions.

5.8.7 Potential Opportunities for Cluster District PSEs/PPPs

Chisamba district has a severe challenge with water supply, especially in rural areas. Therefore, there is a need for the District Council to supply safe drinking water by sinking boreholes for local delivery clusters to improve water supply. There is also a potential for partnerships in road infrastructure development across districts as this is one of the critical local challenges.

5.8.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

There are partnership opportunities in the district's transportation and hospitality industries, which are viable but currently underdeveloped. There are also opportunities for establishing value-adding industries for agro-processing and mining.

5.8.9 Other Recommended PSEs to Improve Service Delivery Needs

Other opportunities that the district has to improve service delivery include preparing updated spatial plans that allow for designating farm plots and commercial spaces to the private sector for development. Furthermore, the Council could work with the private sector to construct local amenities, enhance public health adherence, and create a place for the burial of animals.

5.9 Chibombo District

Chibombo PSVA at a Glance

Potential Project Partner: Chibombo Chamber of Commerce (support the formation)

Key Industries: Agriculture, soon to be launched multi-facility export zone (MFEZ)

PS needs: establishment of value adding industries for agricultural and fish produce

District needs: feeder roads, better access to markets for agricultural produce

Opportunities for Improving Service Delivery: Mining, establishment of community radio to improve information dissemination

Constraints to Engaging PS: Private sector not organized

Existing infrastructure: Roads, MFEZ, Railway, John Chinena Roadside Market

Chibombo is centrally located at the heart of Zambia and shares boundaries with Lusaka on the South, Kabwe on the North, Chongwe and Chisamba on the East and Mumbwa and Shibuyunji on the West, Kapiri Mposhi and Ngabwe on the North West and Mkushi Districts on the North East. The administrative center is about 93km from Lusaka and approximately 50km from Kabwe. It covers a total surface area of 8,342 kilometers squared and has a population of 199,626 with a growth rate of 2.6 %. The mainstay of Chibombo is agriculture.

The district falls within one of the country's most active agricultural region with significant tracks of arable land for crop and livestock agriculture. There is potential for small-scale and commercial

farming of the following crops: maize, tomatoes, cabbages, soybeans, wheat, and tobacco. Other agricultural activities include poultry and livestock farming, with livestock being one of the mainstays of district activities. However, the agriculture sector is plagued with livestock diseases and a lack of financial resources for irrigation. Fish farming is also steadily rising in the Lukanga swamp area and presents a significant opportunity for investment in aquaculture to help meet the national fish deficit.

5.9.1 Private Sector Investment Opportunities

There is high potential for investment in agro-processing ranging from fruits and vegetables to soybeans, tobacco and other grain crops, and meat products and fish. Chibombo district is also one of the major players in ranch-based agriculture, producing a significant tonnage annually of animal skins, providing opportunities for the private sector in leather processing. Other than the agricultural sector, the district also has a viable real estate development industry as Chibombo is a burgeoning district with huge market potential for housing. Landlords are getting a quick return on investment due to the high demand for accommodation. Another developing sector is retail trade which is mainly conducted by a mix of locals and foreign nationals, especially Rwandan Nationals. Both men and women engage in retail trade, and it employs high numbers of young people. There is also mobile money business provided in the district.

5.9.2 Potential Private Sector Engagement and Investment Attraction

Chibombo district has good tourism potential. For example, Lukanga Swamps is the home to many rare species of bird. The swamp area is also suitable for the location of water-based recreation activities such as sport fishing and boat cruises. However, what stands out for the district are traditional ceremonies, especially the ones held by the Lenje people called Kulamba Kuwalo celebrated at the Likonde Lya Ba Nkanga shrine where the mother of the Lenje chief was buried. These create opportunities for investment in the hospitality sector such as hotel and lodge construction. There is also potential for investment in agro equipment, processing and services. The significant numbers of livestock and prevalence of game ranching allow for setting up leather processing plants to supply the local and international markets.

The mining sector presents many opportunities as it remains largely unexplored despite the district having proved deposits of gold, iron ore, and granite (however, investments in mineral exploration would need to be intensified to more precisely ascertain the mineral volumes in the district). The availability of limestone also provides an opportunity for quarry development to supply the booming cement and construction industry in the country.

5.9.3 District Council Capacity to Engage with Private Sector

Council members indicated that they currently have a low level of collaboration with the private sector. The Council, however, believes the establishment of the soon to be launched multi-facility economic zone (MFEZ) presents a viable platform for engagement with the private sector (more below).

5.9.4 Business Enabling Environment and Services for Businesses

For small scale farmers, the lack of agricultural extension services is a challenge. There is also poor access to information on aquaculture and how this sector can become viable in this district. There is also a need to sensitize the local community regarding the importance of environmental

protection as there has been heavy destruction of the environment through indiscriminate logging of trees.

5.9.5 Dialogue Mechanisms that Need to be Established or Improved

The platforms for engagement between the Council and the private sector are the Ward Development Committees (WDCs). However, there is currently no Chamber of Commerce in Chibombo. As a result, the dialogue is neither regular nor effective. The Council has also indicated that it would like to be more involved with the soon to be launched multi-facility export zone.

5.9.6 Viability of Concessions, Operating Management Contracts and Build–Operate-Transfers

The GRZ has established the Chibombo Multi-Facility Economic Zone (MFEZ) constructed in collaboration with China Jiangxi Limited, which has put in a USD 600 million investment. The MFEZ aims to create about 6,000 jobs and generate an income of around 320 million dollars over the next four years. The MFEZ is expected to have basic operational mechanisms by the end of 2021.

5.9.7 Potential Opportunities for District PSEs/PPPs

There is a need to establish a district hospital and community radio that is currently not available, which makes it very difficult to disseminate information to the private sector. There is also a need for improved road infrastructure in the district.

5.9.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

There is demand for provision of solid waste management in Chibombo: particularly for garbage collection.

5.9.9 Other Recommended PSEs to Improve Service Delivery Needs

There is need for improved infrastructure in Chibombo including a district hospital and feeder roads to farming areas.

5.10 Mumbwa District

Mumbwa PSVA at a Glance

Potential Project Partner: Mumbwa Chamber of Commerce (support to strengthen)

Key Industries: Agriculture (Mumbwa Farm Bloc) , Tourism, Mining and Mumbwa Ginning and Pressing Company

PS Needs: Livestock Extension Services, diverse market for agriculture produce

District Needs: Feeder roads, better access to markets for agricultural produce

Opportunities for Improving Service Delivery: value addition for dairy produce, improved supply for piped water

Constraints to Engaging PS: Chamber is not very active

Existing infrastructure: Roads

Mumbwa District is located in Central Province. As of the 2010 Zambian Census, the district had a population of 218,328 people. Agriculture and agro-processing are the key industries in Mumbwa including cotton and some cotton ginning activity.

5.10.1 Private Sector

Private sector investment in Mumbwa is mainly involved in agriculture, livestock, dairy, and aquaculture. The district is especially suited to grow maize, cotton, and soy beans.

Mumbwa also has a growing dairy industry and is a notable supplier to large processors such as Trade Kings, and the further potential for growth in the dairy industry remains vast. Mumbwa is one of the SADC Trade Related Facility Project beneficiaries, which supported the dairy cooperative in Mumbwa to procure bulking tanks and milk analyzers, which are critical for the sector in ensuring the milk quality.

Mumbwa also has some tourism activity and is home to Kafue and Blue Lagoon National Parks, known for their bird species and wildlife such as lions, leopards, cheetahs, zebras, buffalos, and waterbucks. Foreign owners dominate this industry. Other businesses in Mumbwa include retail and wholesale trade and mobile money. Copper and gold mining were widespread in the district, but have been on the decline, and now only the Luri mine is still in operation.

5.10.2 Potential Private Sector Engagement and Investment Attraction

Private sector interviewees state that the mining industry has a lot of potential for further development in Mumbwa. For example, in May 2020, the ZCCM Investments Holdings entered into a joint venture through its subsidiary Consolidated Gold Company Zambia (CGCZ), with Array Metals, a global mining firm, to process gold ore in Mumbwa. Array Metals will pump in an initial investment of approximately 2.5 million Kwacha for the project's first stage to set up a gold wash plant and other mining machinery to mine and process raw material placer gold. The initial phase targets production of about 3-tonnes of gold, worth about 150 million United States Dollars at current prevailing market prices. There is a lot of potential also for the cotton sector, and due to support from the Ministry of Commerce, Mumbwa will produce handloom products. The Mumbwa Ginning and Pressing company was established in 2013 by the Zambia National Farmers Union, which has encouraged growing cotton by small scale farmers. There is also potential for value addition for dairy into cheese, yogurt and other dairy products.

5.10.3 District Council Capacity to Engage with Private Sector

The Council engages the private sector through the Chamber of Commerce, agricultural cooperatives and the Zambia National Farmers Union.

5.10.4 Business Enabling Environment and Services for Businesses

According to the Mumbwa District Council, there is a conducive environment for business establishment in Mumbwa due to good power connectivity and competent staff at the Council to engage the private sector. However, the district has poor road infrastructure, making it very challenging for most private sectors in the agricultural industry.

5.10.5 Dialogue Mechanisms that Need to be Established or Improved

There is a Chamber of Commerce in Mumbwa though it is not very active, and this platform needs to be improved to enhance collaboration between the Council and the private sector.

5.10.6 Viability of Concessions, Operating Management Contracts and Build-Operate-Transfers

Agriculture, game management, and mining sectors remain viable concessions for Mumbwa. Due to substantial mineral deposits in Mumbwa, there is viability for concessions in the local mining industry, such as the Kitumba Copper mining project that Government has proposed. The area around Mumbwa was historically a particular focus for exploration and small-scale mining. Other than mining, Mumbwa has also traditionally been viable for concessions in agriculture, which was only slowed down due to poor road network and access to electricity. Amatheon Company of Germany was one of the first companies to invest on a large scale, investing USD 50 million in irrigated agriculture of over 10,000 hectares in the Mkushi Farming Bloc. Another promising area is game management, as Mumbwa is part of the Kafue National Park.

5.10.7 Potential Opportunities for Cluster District PSEs/PPPs

There are challenges with the water supply in Mumbwa districts and the surrounding districts. Therefore, Itezhi-Tezhi, Sibuyunji and Mumbwa districts can potentially cluster together for improved piped water supply, possibly through the sinking of boreholes in more than one district. There is also a potential for partnerships in road infrastructure development across these districts as there is a severe challenge with accessible feeder roads in the Mumbwa.

5.10.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

The potential PSE opportunities are in establishing lodges/ hotels, and recreation facilities. The private sector is also interested in pollution control, and franchising for garbage collection.

5.10.9 Other Recommended PSEs to Improve Service Delivery Needs

There are opportunities for establishing local sporting activities, undertaking the control and sale of alcohol, and establishing museums.

6. FINDINGS – MUCHINGA PROVINCE

6.1 Chinsali District

Chinsali PSVA at a Glance

Potential Project Partner: Chinsali Chamber of Commerce

Key Industries: Agriculture, trading, education, tourism, construction, financial lending

PS Needs: Improved access to markets, modern farming equipment, better road infrastructure

District Needs: Road infrastructure, solid waste management

Opportunities for Improving Service Delivery: Solid waste management, improvement of access roads to farms, value addition for millet and sorghum for livestock feed

Constraints to Engaging PS: Financial constraints by the Town Council, limited understanding on private sector engagement with the Council

Existing infrastructure: Roads, Robert Makasa University, new council building and police headquarters, banks

Chinsali is the provincial capital of Muchinga Province. The province is endowed with abundant natural resources that support mining, agriculture, tourism, agro processing and fish farming. The District has the second highest population in the province, accounting for 21 percent of the province's total population. As of 2010, the population of Chinsali was 160,000 with a projected growth rate of 1.4 percent annually. As the provincial capital, Chinsali houses government departments and is currently constructing new roads and universities. An increase in internal and external direct investment are expected to further grow population in the district.

The district has four tertiary institutions: Robert Makasa Makasa University, Paul Mushindo University (under construction), Chinsali Farm Institute, and the Chinsali Skills Centre. Recreational activities in Chinsali include sightseeing, hunting, and fishing. Chinsali is arguably the cradle of Zambia, being the birthplace of Dr. Kenneth Kaunda, Zambia's first president, and other notable political figures.

The province has magnificent water bodies that can support agriculture, the most prominent being Chipoma Falls. Chinsali is mainly an agricultural district. In addition, the province has petrified wood fossils. Most of the tourism in Chinsali centers around cultural and heritage sites within the region. Tourist sites include Shambalakale (the first president's former residence), the Lubwa Mission, and the Lenshina Burial Place.¹³

The Council does not have adequate financial resources to deliver services, especially solid waste management due to a lack of equipment, such as receptacles for storing solid waste. There are also transport challenges delivering waste to dumpsites. Another constraint highlighted by the Council is their institutional framework for decision making. Council decisions are made by a board, with a statutory requirement of a turnaround of 90 days for some key decisions. This leaves little room for autonomy in decision making.

¹³ Alice Lenshina was a religious leader who founded the controversial but popular Lumpa Church in then Northern Rhodesia.

Chinsali is one of the poorest districts in the province, with as many as 90 percent of its residents living below the poverty line.

6.1.1 Private Sector

The Chinsali economy is comprised of mining, agriculture, tourism, livestock, trading, construction, micro and financial lending institutions, and transport. The agricultural sector is the mainstay of the province and crops include maize, soya, millet, sorghum, sugar cane and cassava. There is minimal value addition done on these products, particularly for soya, millet, and sorghum which are useful inputs for the production of livestock feed.

Tourism is another key sector, although most of its potential remains largely untapped. The district lacks the infrastructure needed to support the tourism industry, including hotels, lodges and passable roads. While a few lodges exist, most do not meet the required standards. The district has a critical shortage of conference facilities.

A significant number of private sector actors are involved in the trading of clothes, groceries, hardware, food stuffs, and beverages. There are no formal supermarkets or grocery stores and most of these are small shops.

Despite being one of the poorest districts, Chinsali has a relatively vibrant Chamber of Commerce. Members include traders from the local market and small-scale cross-border traders, which is a unique feature of this particular context as most Chambers of Commerce members are predominantly from the formal sector. Some of the key members of the Chamber are retired, highly skilled professionals that are now either forming or running small businesses. However, there are also influential members, some of whom have lower literacy rates, from the informal sector. As a result of this mix, there is tension within the Chamber, for example, around critical issues such as payments of Council rates. Further, some members of the private sector in Chinsali are strongly opposed to people from outside the region establishing businesses. They believe that Chinsali should only have enterprises set up by locals or those that partner with locals.

The private sector noted that a main challenge is the high Council rates. As most businesses in Chinsali are small scale, the rates are beyond their means and computed without proper consultation. Another challenge highlighted was low literacy levels among Chamber members and a lack of understanding of key development issues, making it difficult to effectively contribute to issues of national development. In addition, most businesses do not have title deeds. The private sector indicated a lack of storage facilities for agricultural products was a major challenge for the agricultural sector. The establishment of an industrial yard for value addition would assist in bringing about industrialization of the private sector.

6.1.2 Potential Private Sector Engagement and Investment Attraction

There is potential for private sector stock feed production, manufactured using millet grown from Chinsali, for export to Kenya and Tanzania. This opportunity has a spillover effect into Northern Province as the Mpulungu port could facilitate the export of stock feed, creating a further opportunity to create a dry port for storage. Stakeholders proposed the creation of an

industrial yard at a central location for the storage of grains. Other opportunities for the private sector are the provision of desks and chairs for schools that are not readily available.

Another potential opportunity for partnership is in the manufacture of edible oils since the district produces significant quantities of soya beans. There is huge potential for livestock farming as the livestock sector is still in its infancy and there is huge demand for livestock farming in this area and low supply. Tourism has already been mentioned.

6.1.3 District Council Capacity to Engage with the Private Sector

While the Council has been engaging with the private sector, both parties agree there is room for improved collaboration, including a clear Council mandate and resources.

6.1.4 Business Enabling Environment and Services for Businesses

The private sector indicated that land was not affordable for SMEs and the lengthy procedures for acquiring land were a constraint for private sector development. Another factor highlighted by the private sector was the high level of corruption of Council officials and a lack of interest by the Council to promote economic activity.

6.1.5 Dialogue Mechanisms that Need to be Established or Improved

The platform for engagement between the Council and the private sector is the Chamber of Commerce. The Mayor of Chinsali also has public forums for dialogue with the private sector. Dialogue between the Chamber and the Council can be strengthened by mobilizing young and vibrant Chamber members who have some requisite level of education. Additionally, the Council needs to be more transparent on the process for reviewing rates. Currently, many Chamber members avoid Council meetings since they do not think that their concerns are seriously considered.

6.1.6 Viability of Concessions, Operating Management Contracts and Build-Operate-Transfers

One of the viable concessions for Chinsali has been the rehabilitation of the Mpika-Serenje-Chinsali-Nakonde Road Project which was funded by the European Union through the AfDB. The Serenje-Mpika Road forms a part of the Zambian Great North Road (T2) that is a section of international routes, the Trans-Africa Highway and the North-South Corridor. The North-South Corridor is a joint COMESA/East African Community/SADC Aid for Trade initiative. Its primary aim is to reduce the time and cost of transport along this priority corridor which links the port of Dar-es-Salaam in Tanzania to the Copperbelt (Southern DRC and Northern Zambia) and connects to the southern ports of South Africa, specifically Durban. The corridor system, with its spurs, services Tanzania, DRC, Zambia, Malawi, Botswana, Zimbabwe, Mozambique, and South Africa. The AfDB approved rehabilitation of the stretch of road from Mpika-Chinsali (164 kilometers) and Chinsali-Nakonde (208.6 kilometers).

There have also been some indications of the possibility of geothermal energy from hot springs, such as the Mayuke Hot Springs. This would need to be supported by feasibility studies.

6.1.7 Potential Opportunities for Cluster District PSEs/PPPs

For PSE there is potential for the development of the livestock sector. Mbesuma Cattle Ranch and goat ranching in Shiwang'andu can be developed. Other potential cluster opportunities exist in the edible oil extraction from soya, the manufacture of value-added products such as peanut butter, and livestock feed from the soya and millet grown in Chinsali and Isoka.

6.1.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

Immediate opportunities include facilitating aquaculture development, the management and disposal of solid waste through supporting partnerships to procure vehicles for the transport of solid waste to dumpsites, and recycling waste.

6.1.9 Other Recommended PSEs to Improve Service Delivery Needs

Private sector investments in the education sector through the establishment of private schools would help to bridge the critical gap that currently exists.

6.2 Isoka District

Isoka PSVA at a Glance

Potential Project Partner: Isoka Chamber of Commerce (to be formed)

Key Industries: Agriculture, tourism, trading

PS Needs: Fishing, fish feed, livestock feed

District Needs: Access roads to farming areas

Opportunities for Improving Service Delivery: Storage facilities, fish farming infrastructure, out grower schemes for livestock rearing, garbage collection and solid waste management, primary and nursery schools, lodges and hotels

Constraints to Engaging PS: Lack of formal platform for private sector and Council engagement

Existing Infrastructure: Roads

Isoka District is close to Zambia's boundary with Tanzania and Malawi. According to the 2010 national census, the district has a population of 164,410. Isoka is well-positioned in Muchinga Province and provides a gateway to Eastern Province and Northern Province. The area is utilized as a transit route between Eastern Province and Nakonde, a border town in Muchinga Province with Tanzania, through the Kanyala-Nakonde Road. The district is a gateway to the famous Nyika Plateau National Park and Malawi through Rumphu.

The mainstays of the Isoka economy are agriculture and trading. Isoka has one of the best climates in the country and is able to support the cultivation of almost all crops grown in Zambia. It has huge potential for growing citrus fruit. Trade is mostly cross-border into Malawi, where agricultural produce such as beans, millet, maize, chickens, cattle, and goats are exported and products such as soap, clothing, cooking oil, sugar, and other groceries are imported. Nakonde and Lusaka are the other main sources of goods. Financial transactions are predominantly informal due to a lack of banking and financial services, which presents an investment opportunity. Cross-border trade is informal as goods do not pass through the official entry points. Due to its rapidly growing local economy, many products, including dairy and beef, are brought in from outlying areas to sell in the Isoka market.

Employment is mostly informal. The service industry remains highly underdeveloped. Airtel and Zamtel have introduced mobile services to the area which has potential to provide employment through the sale of their products. Government remains the major employer in the education and health sectors. The water in Isoka is supplied by Chambeshi Water and Sewerage Company, which is in Kasama. The district faces erratic water supply and this challenge has been difficult to resolve. Isoka has a very poor road network, but some roads are currently being rehabilitated.

The district has unclear land boundaries and the Council lacks the capacity for a land survey. Accessibility of land presents a significant challenge for the private sector.

6.2.1 Private Sector

The private sector in Isoka is mainly comprised of the agriculture, tourism, and trading sectors. The agricultural sector is thriving in Isoka and produces millet, sorghum, cassava, maize, and soya. There is very little value addition in this sector due to a lack of agro processing capacity. Fish farming is another key sector. Significant water sources are used for fish farming. The sector, however, is constrained by a lack of facilities for growing fingerlings, which are bought from outside Isoka. Informal trading of various types of merchandise, such as clothes, groceries, hardware, food stuffs, beverages, household goods, and auto parts is common since the district lacks a formal supermarket structure for shops and a modern market. Other private sector activities include the sale of construction services and construction-related materials such as doors, windows, and roofing sheets. The district also has a growing transport sector.

One challenge has been the lack of continuity in terms of interventions targeting district development due to leadership changes at council level. Each Council Secretary focuses on new priorities. Another challenge has been insufficient consultation between The Council and stakeholders, especially regarding the availability of land and the lack of a main feeder road that passes through the CBD. There have been rivalries on the Council on the provision of certain services. For example, the Council closed down a privately owned small business for truck parking and opened its own facility, despite a lack of proper planning to provide adequate access roads.

6.2.2 Potential Private Sector Engagement and Investment Attraction

There is potential for private sector partnerships with the District Agricultural Office to provide agricultural extension services to Isoka, since there are very few agricultural extension officers working in the district. The fish farming sector is viable for possible partnership in Isoka. There is huge demand for fish, including fingerlings. There is potential for the manufacture of fish feed and for partnerships in livestock rearing for both cattle and goats.

6.2.3 District Council Potential to Engage with the Private Sector

There is minimal collaboration between the Council and the private sector, with the Council mainly working independently without consulting local businesses on important decisions. The Council occasionally shares Ward Development Committee reports with local businesses.

6.2.4 Business Enabling Environment and Services for Businesses

Land administration procedures are extremely unclear due to significant interference from traditional authorities. For example, one of the current chiefs interferes in land allocation even

for land that has already been converted to state land. The Council is not currently a planning authority and has no mandate to enforce building regulations, which impacts access to land. The Council charges high rates, which are not transparently reviewed or clearly communicated to private sector stakeholders.

6.2.5 Dialogue Mechanisms that Need to be Established or Improved

There is a need for improved dialogue with the private sector since the Council often conducts business without adequate consultations. This challenge is made worse since a majority of private sector actors are small businesses in the informal sector that are not well organized to engage in effective dialogue. A Chamber of Commerce could improve dialogue with the private sector.

6.2.6 Viability of Concessions, Operating Management Contracts and Build-Operate-Transfers

The Serenje-Isoka Nakonde Rehabilitation project is supported by the European Union through the AfDB. While the road will impact the district, the Council is not directly involved with this project.

6.2.7 Potential Opportunities for District PSEs/PPPs

There are opportunities for the joint construction of feeder roads, especially those leading to farming areas. In addition, there is potential for establishing a storage facility for grains in a central location that could benefit both Isoka and Chinsali.

6.2.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

There are opportunities for establishing mini water schemes to address erratic water supply in the area, along with systems for waste management and recycling. The private sector expressed interest in partnering with the Council on garbage collection and solid waste management.

6.2.9 Other Recommended PSEs to Improve Service Delivery Needs

Isoka may evolve into a mining town over the next few years if it is determined that there are reserves of phosphate conducive to mining.¹⁴ In addition, rare earth elements at Nkombwa Hill will begin producing components for mobile phones and televisions. While both projects are not directly related to improving service delivery, they have the potential to generate jobs and increase local revenues for the Council which can then be used to improve the delivery of basic services to district residents.

6.3 Mpika District

Mpika PSVA at a Glance

Potential Project Partner: Mpika Chamber of Commerce

Key Industries: Agriculture, tourism, transport

PS Needs: Lodges, abattoirs, waste management systems

District Needs: Access roads to farming areas, value addition for agro-processed products, storage facilities

¹⁴ Phosphate is a major component of fertilizer production

Opportunities for Improving Service Delivery: Storage facilities for grains, solid waste management, out grower schemes for livestock

Constraints to Engaging PS: Inadequate finances to implement recently drafted district development plan, fatigue from Chamber due to unmet service delivery expectations

Existing Infrastructure: Roads, lodges

Mpika is one of the most vibrant towns in Muchinga Province and is the largest in terms of size, accounting for 29 percent of the Province's population. Mpika was the largest district in Zambia until the creation of Kanchibiya and Lavushimanda. Although Chinsali is the provincial capital of the Province, Mpika is the economic hub due to its central location in the heart of Muchinga.

Agriculture is the mainstay of the district. The district has a vibrant tourism industry and lodges and hotels. It is home to the Kapishya Hot Springs and Mutinondo Wilderness, both high value tourist destinations. The Mpika CBD has several lodges and hotels that provide accommodation for tourists visiting destinations in other parts of Muchinga. It will need more conference facilities to meet demand.

6.3.1 Private Sector

While mainly an agricultural and tourist district, Mpika has a vibrant transport and logistics sector. Mpika farmers grow crops such as soya beans, millet, sorghum, groundnuts, and beans. There is very little value addition for crops grown in this district. Mpika also has a number of fish farmers, but farms lack sufficient supply of fingerlings and fish feed production.

6.3.2 Potential Private Sector Engagement and Investment Attraction

The district has potential for investment in the hospitality industry and logistics and transport, which are already growing sectors.

6.3.3 District Council Capacity to Engage with the Private Sector

Mpika District Council engages with the private sector through the Chamber of Commerce, which is one of the most active and vibrant in Muchinga. However, the Council has challenges delivering basic services and it relies heavily on Council rates as its main source of revenue.

6.3.4 Business Enabling Environment and Services for Businesses

The private sector's main issue is the high trading license rates and difficulty obtaining land title deeds from the Ministry of Lands due to lengthy and bureaucratic procedures. However, the Council developed a joint district development plan with the private sector, which includes crucial intervention areas to promote district development from 2021-2026. The Council has been mobilizing resources to implement this plan.

6.3.5 Dialogue Mechanisms that Need to be Established or Improved

There is declining morale among Chamber of Commerce members with respect to participating in meetings with the Council. Some members believe that the Council has inadequate financial capacity and staff with skills to address the challenges that the private sector faces. During discussions, it was clear that most members are retired professionals, so the Chamber should recruit and encourage younger members to actively take up the Chamber's management and steer public-private sector dialogue.

6.3.6 Viability of Concessions, Operating Management Contracts and Build-Operate-Transfers

The rehabilitation of the Serenje Mpika road is a BOT PPP, under the Trans Africa Route Infrastructure Development Project. While the road will impact the district, the Council is not directly involved with this project.

6.3.7 Potential Opportunities for Cluster District PSEs/PPPs

The potential cluster opportunities in Muchinga are in road infrastructure and as serving as a hospitality hub for visiting destinations across the Province.

6.3.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

There are near term need to improve transportation infrastructure and build out the hospitality sector in the district. There was a recommendation to establish an abattoir, but livestock numbers in Mpika are small and this may not be a viable business.

6.3.9 Other Recommended PSEs to Improve Service Delivery Needs

There is need to establish storage facilities for agricultural products such as maize. There is also potential for investment in the emerging dairy sector. Muchinga Dairy Limited, a local company in Mpika district, has, through the Citizens Economic Empowerment Commission (CEEC), received state-of-the-art equipment to establish a milk processing plant to produce pasteurized milk, cheese, yogurt, chocolate, ice-cream and other milk products. Muchinga Dairy Limited has set up an out-grower scheme with 54 small scale farmers (12 women, 36 men and six youths). However, farmers need support to procure dairy animals and also training on how to manage their farms.

6.4 Shiwang'andu District

Shiwang'andu at a Glance

Potential Project Partner: Shiwang'andu Chamber of Commerce

Key Industries: Agriculture

PS Needs: Storage facilities, agricultural equipment

District Needs: Feeder roads

Key opportunities for Improving Service delivery: mini-hydro power, lodges and hotels

Constraints to Engaging PS: Financial constraints for development and implementation of district development plans

Existing Infrastructure: Mini hydropower station, roads, clinics

Shiwang'andu is a relatively new district formed in 2013 when Chinsali was partitioned. The district is named after Lake Ishiba Ng'andu, which means 'lake of the royal crocodile' in the local Bemba language. It is home to the Shiwang'andu Estate that was built in the early 20th century by the British aristocrat Sir Stewart Gore-Browne, who worked for the Anglo-Belgian Boundary Commission and settled in Zambia after World War I. The district has a population density of 9.5 inhabitants per square kilometers. According to the 2010 Census of Population and Housing, the district has a population of 59,795 people with an annual population growth rate of 1.3 percent.

The mainstay of Shiwang'andu's economy is agriculture. Shiwang'andu is home to one of the biggest farming blocs, the Shiwang'andu Settlement. Shiwang'andu also depends on forestry and has one of the biggest forest reserves in the country. Exotic tree plantations are currently being established by local communities through support from the forestry department. Central government, through the Zambia Forestry and Forest Industries Corporation Limited, is establishing a commercial timber plantation in Shiwang'andu. The Shiwang'andu Plantation is located about 75 kilometers from Chinsali and about 80 kilometers from Mpika and it will cover a total area of 9,000 hectares. Potential exists for small timber plantations by individual farmers.

The district is famous for beekeeping and recently established a honey processing plant. The district is home to the Namundela Falls and Kapishya Hot Springs, which attracts some tourism. The district also has the potential for hydropower generation and already has one mini hydropower station.

6.4.1 Private Sector

The private sector focuses on agriculture. The district has numerous rivers, so fishing and the substantial petty trading of fish is prevalent. The fishing industry is limited by the lack of local processing plants that could produce fish feed. Raising livestock is also common in the district, with a focus on cattle, goat, pigs, and local and broiler chickens. Agricultural production and livestock management both struggle due to the lack of storage facilities and sufficient agricultural equipment.

6.4.2 Potential Private Sector Engagement and Investment Attraction

There is huge potential for private sector partnerships around livestock and fishing. Both sectors have significant potential but are relatively undeveloped.

6.4.3 District Council Capacity to Engage with the Private Sector

The Council has minimal capacity and experience in engaging with the private sector through the Chamber. Local businesses are rarely involved in Council-driven planning and there is a feeling that the Council members are not fully aware of private sector challenges in the district.

6.4.4 Business Enabling Environment and Services for Businesses

Similar to other districts, land acquisition is cumbersome and time consuming and this has limited economic growth.

6.4.5 Dialogue Mechanisms that Need to be Established or Improved

The dialogue could be mainly through the Zambia National Farmers Union for the prominent players such as the ZAMPALM and some farms within the Mkushi Farm Bloc. However, to accommodate SMEs, the Council needs to strengthen dialogue through the Chamber of Commerce and the agricultural cooperative.

6.4.6 Viability of Concessions, Operating Management Contracts and Build-Operate-Transfers

There is potential for investment in a mini-hydro power plant at the Kapishya hot springs in Shiwang'andu.

6.4.7 Potential Opportunities for District PSEs/PPPs

The government has developed plans to improve paved and gravel roads and water reticulation infrastructure in Shiwang'andu and surrounding districts. However, this needs to be actualized to improve service delivery in these areas beyond Shiwang'andu CBD.

6.4.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

There are several quick win opportunities such as partnerships in fish farming, livestock management, and feed production for both fish and livestock.

6.4.9 Other Recommended PSEs to Improve Service Delivery Needs

There is a need for investment to support the tourism opportunities in Shiwang'andu District. One of the significant tourism areas in Shiwang'andu is Shiwa Lake, where some boating activities already occur. Supporting infrastructure can improve the viability of tourism in this district.

6.5 Chama District

Chama PSVA at a Glance

Potential Project Partner: Chama Chamber of Commerce

Key Industries: Agriculture, trading, tourism

PS Needs: Equipment for irrigation, banking facilities

District Needs: Improved road network

Opportunities for Improving Service Delivery: Hotels, lodges, parks

Constraints to engaging private sector: Financial resources to develop and implement district development plans, inadequate transport

Existing Infrastructure: Roads, schools and training institutions, one level-one hospital

Chama district is situated in the Luangwa valley. The district borders Mafinga in the north, Chinsali in the west, and Mpika in the southwest. Across Mphalausenga Hills, which are part of Mafinga Hills, the district shares a border with Malawi. Chama covers an area of 17,630 square kilometers with a population density of 5.9 inhabitants per square kilometer, a population of 99,434 and a growth rate of 3.3 percent. Chama is the largest and least-populated district in Muchinga, and much of the population lives close to the Malawi border. Many residents share tribal and cultural traditions with the people of Malawi's northern highlands.

Agriculture is the leading industry and maize is the largest crop, with rice farming also common. Cotton, sorghum, soybeans, groundnuts, sweet potatoes, pumpkin, cabbage, and sunflowers are also grown in the district. Chama is also has over 100 fish farms across the district.

Chama is home to the Nyika National Park in the northeast of Zambia, on the western edge of the Nyika Plateau. This is one of the highest parts of the country and it extends across the Malawi border. The border between the two parks is the north-south plateau road, which is the only road access. This road starts and finishes in Malawi. Consequently, Zambian visitors must enter Malawi to reach the park and the nearest Malawian entry points are at Chisenga and Katumbi. The district is home to Kutandala Camp, which has lots of wildlife and serves as the entry point for Chilubanama Hot Springs.

6.5.1 Private Sector

Most business focuses on farming, with Chama Rice a well-known local brand. Businesses have complained that they do not have access to irrigation equipment and that the district is prone to erratic weather conditions as it experiences both droughts and floods depending on the location and season. There is only one bank in the district which impacts access to finance. The road network is very poor which compromises farmer access to markets. There is substantial trading of commodities such as hardware and groceries.

6.5.2 Potential Private Sector Engagement and Investment Attraction

Marketing of the Chama Rice brand for export is a viable opportunity. It needs to be properly branded and labeled to facilitate export. Tourism has great potential, but there is a need for lodges, hotels, conference facilities, and roads to access tourist destinations.

6.5.3 District Council Capacity to Engage with the Private Sector

The Council indicated that it regularly engages the Chamber of Commerce in Chama and proactively reaches out to youth and women's groups.

6.5.4 Business Enabling Environment and Services for Businesses

Council members indicated that they are effectively delivering solid waste management, opening up resettlement schemes, and encouraging and sensitizing women's groups and cooperatives to explore fish farming opportunities. Chama is not a planning authority and planning permission must be obtained from Chinsali. This delays the allocation of land.

6.5.5 Dialogue Mechanisms that Need to be Established or Improved

Chama district has a Chamber of Commerce, although it's not very active. However, the Chambeshi Rice Farmers in Chama District provides a good platform for dialogue with the private sector since rice growing is significant.

6.5.6 Viability of Concessions, Operating Management Contracts and Build-Operate-Transfers

There are no PPPs in the district, although there have been some feasibility studies for feeder roads connecting Chama, Nyimba, and Petauke in Eastern Province.

6.5.7 Potential Opportunities for Cluster District PSEs/PPPs

Chama has potential for supplying rice seeds and other inputs, establishing processing plants for processed rice, and producing livestock feed and briquettes from agricultural residues.

6.5.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

Quick win opportunities exist in solid waste management which would build on some of the Council's successes in this area.

6.5.9 Other Recommended PSEs to Improve Service Delivery Needs

Partnerships can be formed to increase irrigation systems, water harvesting, and aquaculture, along with the establishment of agricultural plantations and stock feed production facilities and improving the supply of farming implements and mechanized equipment.

6.6 Nakonde District

Nakonde PSVA at a Glance

Potential Project Partner: Nakonde Chamber of Commerce, Cross Border Traders Association

Key Industries: Cross border trade, hotel, lodging, agriculture

PS Needs: Parking bay for trucks, public toilets, accommodation at the border for traders

District Needs: Processing plants for produce, wider road to reduce truck congestion

Opportunities for Improving Service Delivery: Livestock breeding, value addition for crops

Constraints to Engaging PS: Resources to develop and implement district development plans

Existing Infrastructure: Nakonde One Stop Border Post, roads

Nakonde lies on the main road that connects Lusaka, Kapiri Mposhi and Isoka to neighboring Tanzania. The town is a busy border crossing with both rail and road traffic. The TAZARA Railway passes through the town. The district shares international boundaries with Tanzania in the north and Malawi in the east. The district shares district boundaries with Mbala in the northwest, Kasama and Mungwi in the west, Chinsali in the southwest and Isoka in the southeast. It is just over 1,000 kilometers from Lusaka.

The mainstay of Nakonde is cross-border trade. It is estimated that 85 percent of Zambia's exports transit through Nakonde. However, inadequate housing, poor road infrastructure, the lack of electricity and potable water, an underdeveloped sewerage system, poor schools, and the absence of a university or trade school are some of the challenges facing the town. Most of the goods from Tanzania, such as food products, petroleum, gas, clothes, vehicle machinery and equipment, and building materials enter Zambia through Nakonde. Goods from Zambia such as timber, copper, and other minerals are exported to Tanzania through Nakonde. Nakonde is a popular border for imports of secondhand cars from Japan. Three banks maintain branches in Nakonde: Barclays Bank of Zambia, Atlas Mara Bank Zambia Limited, and Zambia National Commercial Bank.

Nakonde has tourism potential with presence of the Mwenzo Mission, a location rich with history and architectural beauty.¹⁵ Zwangendaba memorial site is another tourist destination.¹⁶

¹⁵ Mwenzo was the first mission of the United Church of Zambia in the Province. The station was established in 1898 by James Alexander Christholm of the Free Church of Scotland. At Mwenzo, the first post office building in Zambia was built in 1900. A doctor's house was built in 1909 and a church was later built in 1914.

¹⁶ Zwangendaba, who died in 1848, helped lead the Ngoni people back to Zambia after a mass migration caused by the wars of Shaka Zulu that were part of the southern African Mfecane.

6.6.1 Private Sector

Most business focuses on cross-border trade with Tanzania. There are numerous clearing companies, hotels, and lodges. There is a vibrant livestock and agricultural sector and fishing is plentiful due to many rivers in the district. Many are involved in buying and selling fish, with some fish farms also in operation. The district lacks local processing plants for the production of fish feed. The CBD has several financial lending institutions, including micro-lending and mobile money transactions. Airtel and MTN agents are based there.

There are still not enough adequate lodges, hotels, and public toilets for traders and truck drivers that transit through Nakonde. In addition, the road to the border is very narrow and there is limited parking for trucks, which results in long queues at the border.

6.6.2 Potential Private Sector Engagement and Investment Attraction

Nakonde has a lot of potential for processing plants for fish and fish products, along with the production and sale of fish fingerings. There is potential for livestock breeding, sausage making, tanneries, and manufacturing glue from animal bone marrow.

6.6.3 District Council Potential for Engaging with the Private Sector

The Council has significant potential and it regularly engages the Chamber of Commerce, which is comprised mostly of cross-border traders organized through the Cross Borders Association, clearing agents organized through the Clearing and Freight Forwarders Association, and representatives of the farming community.

6.6.4 Business Enabling Environment and Services for Businesses

As the second busiest border, Nakonde attracts significant interest with respect to facilitating economic activity in the district. Due to the importance of this border for revenue collection, the Council and border agencies have worked well to improve the business environment. Nakonde One Stop Border Post has a dedicated operations desk for Simplified Trade Regime (STR). STR is managed through a Trade Information Desk that was set up with the help of COMESA and is currently managed by the Cross-Border Traders Association of Zambia who has appointed a Desk Officer to manage the desk. However, the container that hosts the Trade Information Desk is not clearly branded for cross border traders to clearly identify it for informational needs.

A list of goods that are eligible for STR treatment is available and traders are encouraged to inspect it before crossing into Tanzania or Zambia to purchase their various merchandise. It was observed that many small-scale cross border traders shun the STR on the assumption that they will attract the attention of Zambia Revenue Authority (ZRA) officials and be forced to pay high taxes on their goods. As a result, many cross-border traders opt to smuggle goods through illegal routes that are dangerous, especially to women, as there is no security and there are high chances of losing goods through theft or confiscation by border security officials.

6.6.5 Dialogue Mechanisms that Need to be Established or Improved

The Chamber of Commerce, Freight Forwarders Association and Cross Border Traders Association, are essential platforms that need to be further strengthened since Nakonde hosts a One-Stop Border Post to facilitate trade with Tanzania.

6.6.6 Viability of Concessions, Operating Management Contracts and Build-Operate-Transfers

The most viable concession in the district is the Nakonde/Tunduma One Stop Border Post which is a joint initiative of the Governments of Zambia and Tanzania. This model will replicate the Kasumbalesa One Stop Border Post which was constructed under a concession agreement. In Zambia, the government entered into an agreement with a private company to construct and manage five border posts, including Kasumbalesa (on the Zambian-DRC border), Nakonde (on the Zambia-Tanzania border), and Kazungula (on the Zambia-Botswana border).¹⁷ The same company also built the DRC Kasumbalesa border terminal under a concession and negotiated with Tanzanian authorities to construct infrastructure for Tunduma border post, opposite Nakonde border, under a 20-year concessional agreement.

6.7.7 Potential Opportunities for Cluster District PSEs/PPPs

A potential PPP cluster exists for road infrastructure. Relatedly, the African Development Bank is financing the Chinsali Nakonde Road Rehabilitation Project.

6.6.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

Nakonde has potential for the supply of inputs for agro processing, including the production of maize meal, stock feeds, cooking oil, stock feed, peanut butter, and cassava meal. Given the border traffic, there is a substantial market for these and other products.

6.6.9 Other Recommended PSEs to Improve Service Delivery Needs

Due to a lack of parking bays at the border, a PPP could establish secure and well-designated places for trucks. There is a need for partnerships to establish proper support infrastructure, such as public toilets, washrooms, lodging, and proper eating establishments.

6.7 Kanchibiya District

Kanchibiya PSVA at a Glance

Potential Project Partner: Kanchibiya Chamber of Commerce (currently inactive)

Key Industries: Agriculture, fish farming

PS Needs: Crop diversification, access to markets for farm produce

District Needs: Roads, dams, electricity, education

Opportunities for Improving Service Delivery: Lodges, hotels, value addition for produce, feeder roads, infrastructure to promote fish farming

Constraints to Engaging PS: Chamber of Commerce inactive

Existing infrastructure: Schools

Kanchibiya District is newly created. It was partitioned from Mpika. It is located in the northwestern part of Muchinga Province. The area was conferred district status in 2017. The name of the district was derived from the Kanchibiya River, which crosses over the district to the Bangweulu Wetlands. The district has only one constituency which is also known as Kanchibiya Constituency. It shares its boundaries with Mpika in the southeast, Kasama in the

¹⁷ Harmon 2011, p. 14

north, Samfya and Chilubi in the west, Chilubi in the northwest, Shiwang'andu in the west, and Lavushimanda in the south.

The district lies in the Chambeshi Flood Plains. Kanchibiya has vast forest resources and is endowed with numerous water bodies, including swamps, rivers and streams. The district has traditional forests such as Mpepo Forest and Lwitikila Forest which are currently under threat of extinction due to the northern Zambian slash and burn practice known as Chitemene system, and the cutting of trees for charcoal use.

The district's population is estimated to be 64,218 with an average annual growth rate of 3.8 percent. About 90 percent of the population distribution is rural and young. The district boasts rich and abundant natural resources such as water, fertile land, good rainfall patterns, wildlife, and widespread forestry resources. Despite the abundant and extensive resource base, the majority of the population has not effectively benefitted from these natural resources. Poor physical infrastructure such as roads, dams, and electricity, as well as inadequate health facilities and schools, remain challenges in the district.

6.7.1 Private Sector

The majority of the population derives its livelihood from agriculture, with tremendous potential in this sector. Most farming is small scale and subsistence-based, using the Chitemene method of cultivation to grow maize, cassava, millet, sorghum, groundnuts, and beans. Most farmers sell their crops to the Food Reserve Agency. Small scale livestock and poultry are steadily increasing, with the focus on raising cattle, goats, pigs, and sheep. Other small scale economic activities include beekeeping and fish farming in the Chambeshi and Luangwa Rivers. The District is home to the Zampalm Plantation which manufactures crude palm oil. Zampalm is a subsidiary of Zambeef Limited.

6.7.2 Potential Private Sector Engagement and Investment Attraction

There is potential for fish farming in Kanchibiya due to its vast water resources. There is need for partnerships for conservation farming as the vast forest reserves are being depleted due to charcoal burning. There is also potential for investment in the livestock sector. The importance of this sector was highlighted when in March 2021, some goats and chickens were provided to cooperatives to improve animal stocks in the district. The potential private sector partners include ZAMPALM limited that is already established itself in the district. The District Council could tap the company's resource by forming a subsidiary company that will support the out-grower scheme. Another company that has shown interest in the District is CHICCO Biscuits, which would like to focus on maize, wheat and soy bean cultivation. In addition, HUJING Limited company, a Chinese company, wishes to invest in 5,600 ha for sugar production, maize, and cattle rearing. These companies have shown a willingness to work with the district in various areas such as road connectivity, rates and corporate social responsibility

6.7.3 District Council Potential for Engaging with the Private Sector

The private sector is nascent and mostly driven by informal activities, with a Council that is largely undeveloped as well. Both sides need support to yield productive and meaningful engagement.

6.7.4 Business Enabling Environment and Services for Businesses

As a new district, Kanchibiya is a challenging environment to establish businesses. It lacks basic infrastructure, and the CBD, which is under construction, does not have basic amenities such as public toilets. Further, it was one of the most underdeveloped regions and has poor road accessibility. The district also lacks proper extension services, which makes it very challenging for the agricultural sector to develop.

6.7.5 Dialogue Mechanisms that Need to be Established or Improved

Four traditional chiefs surround the district. These chiefs need to be engaged as critical stakeholders, given their authority over the land. One way to achieve this is through strengthening and capacity building the already existing trust boards. However, to promote the spirit of decentralization and accelerate development, the district should seek to work within the legally set up institutions at the district level, e.g. WDCs, to advance projects.

6.7.6 Viability of Concessions, Operating Management Contracts and Build–Operate–Transfers

Through its sustainable livestock infrastructure Management Project (SLIMP), the African Development Bank undertook a feasibility study in 2019 focusing on developing infrastructure for livestock in several districts in Muchinga, including Kanchibiya. This project will provide commercialization and co-management of complex public livestock infrastructure through PPPs and participation of the private sector to manage public livestock infrastructure on a cost-recovery basis. Other than livestock development, Kanchibiya is also a viable district for investment in mini hydroelectricity projects. In addition, the district has proposed to have Multi-Facility Economic Zone. The facility will sit in Chief Luchembe’s Chiefdom on approximately 500 hectares of land supporting different heavy and light industries.

6.7.7 Potential Opportunities for Cluster District PSEs/PPPs

Kanchibiya and surrounding districts have abundant perennial river and streams that support rice cultivation. The local community cultivates rice for consumption. However, there is need to increase the yields through commercial venture and value chain distribution. Another potential area for cluster PPPs is in the area of sugar cultivation. Several companies are coming on board to set up sugar plantation in Kanchibiya district, and one of them has acquired land for the same purpose in Chief Mpepo’s area. However, it has not yet materialized. There is a readily available market within Zambia and within the SADC region.

The transport sector is another potential area for district cluster PPPs. Kanchibiya is the only district that connects Muchinga Province (Mpika-transit town) and Northern Province (Kasama headquarters). The main road (MS) that passes through the district bordering Muchinga and Northern Provinces is tarred at bituminous standard. However, roads within the district are feeder roads that are in poor conditions.

6.7.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

Opportunities include the construction of a truck parking bay at Kasongo/Chalabesa Junction and the establishment of a filling station in the CBD and along Kasama Road.

6.7.9 Other Recommended PSEs to Improve Service Delivery Needs

Other opportunities for PPPs are available in the retail sector (e.g. construction of a shopping center) and providing adequate piped water to the district. There is also a need to establish banks.

6.8 Mafinga District

Mafinga PSVA at a Glance

Potential Project Partner: Mafinga Chamber of Commerce

Key Industries: Agriculture, trading, Tourism

PS Needs: banking facilities, proper market, value addition for agro-processing

District Needs: Accessible roads, accommodation for residential, lodging, adequate electricity.

Opportunities for Improving Service Delivery: tertiary schools for nursing, better transportation networks

Constraints to Engaging PS: Financial constraints, in-active Chamber of Commerce

Existing infrastructure: schools, roads

Mafinga is a scenic and vibrant district with a wealth of natural beauty, a small economy, a unique cultural and linguistic mix, and a low quality of life. President Saka created Mafinga district from the former Isoka East Constituency in February 2011. Mafinga is situated between longitude 32', 29' and 33', 50' East and Latitude 9', 45' and 10', 49, 2' South. It comprises 4,134 square kilometers. It is situated about 1,134 km from Lusaka. The district borders Malawi. Districts bordering Mafinga include Nakonde, Isoka and Chama.

6.8.1 Private Sector

Most of the private sector actors in Muchinga are in the agricultural sector. The crops grown in Mafinga include maize, beans, rice, millet and tobacco and cassava. Small scale farmers also keep livestock, including cattle, goats, and chickens.

Other than agriculture, the tourism sector has potential in Mafinga. Mafinga is the source of the Luangwa River, making it a potential tourist destination. There are also ecological sites such as Mafinga, Mukutu and Mpando hills and the Finga Hills Falls, which are potential sites for tourism. These landmarks offer tourism activities such as sightseeing, mountain hiking and camping. Mwenewesi and Malugule hot springs and wild animals such as monkeys in the Mafinga Hills and Hyenas in the Thendele area also offer tourism potential. However, the district cannot benefit fully due to a lack of tourism support infrastructure such as good roads, restaurants, lodges etc.

In addition, there are opportunities for the private sector transportation, general trading of goods such as groceries, clothes, etc. However, Mafinga has no proper market infrastructure for its traders.

6.8.2 Potential Private Sector Engagement and Investment Attraction

Furthermore, being the source of the Luangwa district offers a lot of promise for opportunities in tourism. Therefore, the potential private sector investment exists in electricity generation, value addition for agricultural production, and construction of roads and accommodation.

6.8.3 District Council Potential for Engaging with the Private Sector

There is potential for dialogue between the Council and the private sector, mainly through the District Development Coordinating Committee. However, there is no active Chamber of Commerce in Mafinga District.

6.8.4 Business Enabling Environment and Services for Businesses

Mafinga is one of the most underdeveloped districts in Muchinga. Until very recently, it had no access to electricity. The district now taps power from Tanzania. The district has poor roads and lacks basic infrastructure, including housing, banking services, ICT and a market for trading.

6.8.5 Dialogue Mechanisms that Need to be Established or Improved

There is a need to improve better dialogue between the traditional leadership and the local authorities, particularly on land administration matters. Stakeholders could maximize exchange within the institutions that exist at the district level, for example, the WD Cs and District Development Coordination Committee to advance projects.

6.8.6 Viability of Concessions, Operating Management Contracts and Build–Operate–Transfers

Construction of the first hospital in Mafinga commenced in September 2015 at a cost of K12.4 million. Government has engaged Huachang Limited to undertake the project. The facility will be a replica of the Michael Chilufya Sata Hospital in Mpika. This project includes the construction of 10 staff houses.

6.8.7 Potential Opportunities for Cluster District PSEs/PPPs

The plateau region has potential for citrus fruits production, i.e. banana schemes across district boundaries. There is also an opportunity for animal husbandry where the private sector could invest in improved breeding stocks.

6.8.8 Immediate PSE and PPP Opportunities Identified by the Private Sector

There are opportunities for investment for the value addition of agricultural produce and food processing industries for beans, cassava, and livestock products.

6.8.9 Other Recommended PSEs to Improve Service Delivery Needs

There is still scope for improvement in the transportation industry. In addition, the provision of tertiary education, particularly for a nursing school. Other potential private sectors opportunities exist in electricity generation and construction of roads and accommodation.

7. CONCLUSIONS AND RECOMMENDATIONS

This section highlights the assessment's main findings and provides detailed recommendations based on primary and secondary source data collected by the PSVA team.

7.1 Localizing private sector engagement and building capacity for PSEs and PPPs

Findings: There is clearly a disconnect between large scale PPPs developed by national authorities, such as the PPP Unit and the ZDA (the two main PPP stakeholders in Zambia) and the PPP needs of local authorities and businesses at the district level. For the most part, large-scale PPPs in Zambia focus on major infrastructure projects in power generation and transport. The PPP process for these large investments is driven by national actors, with minimal involvement of local authorities and small enterprises.

While PPPs are needed to address infrastructure gaps in Zambia, the cost of entry is often too high and the timeframe for delivery too long for locally based small enterprises with many opportunities for failure. This bias for large, Lusaka-driven PPP arrangements overlooks the potential for smaller, local engagements of the private sector, for example through an outsourcing services contract, that are quicker to develop and that can have immediate impacts on the lives of local communities in rural areas across the country. Basic grassroots service delivery needs of local communities, such as solid waste management, are often overlooked for big ticket projects that bring in foreign direct investment, international expertise, and media coverage. When successful, these projects impact multiple communities, across multiple districts. When they fail, the costs are high, the political impact significant and the public become sceptical about the benefits of public and private entities working together to address badly needed infrastructure and to deliver of essential services.

There is a need to prioritize quick-win opportunities for district interventions where outsourcing risks and costs are not too high, such as garbage collection.

Recommendations: Local Impact pilots the co-design and use of a tendered procurement system for districts to outsource solid waste management (garbage collection and sorting). For local needs to be met through PPP modalities, there also needs to be more sustained focus on building the knowledge and capacities of local actors, from district councils to small enterprises, with a focus on: the legal requirements in the PPP Act described earlier in this assessment; opportunities for accessing financial facilities; and a range of other complex technical requirements to successfully bring PPPs to closure. Local Impact could address this capacity gap through targeted trainings that focus on the lifecycle of PPPs, customizing an approach specifically for local authorities and small enterprises, and a possible learning tour to Kitwe.

Local Impact could support sensitization and education around the PPP Act, ensuring that local stakeholders understand local sourcing requirements that often favor larger companies over smaller businesses and service providers. District authorities need to think outside of the box, identifying realistic opportunities in their districts, and reach out to neighboring districts when regional approaches to PPPs are most appropriate.

7.2 Communication between Councils and the Private Sector

Findings: The assessment has shown that there are generally weak platforms for dialogue between the private sector and councils. There are weaknesses in the structuring of some of the Chambers of Commerce where they exist. The two tables below show the assessed level of activity of each Chamber by district.

Table 1: Central Province Determination of Active District Chambers of Commerce

District	Does Not Exist/ Being Formed	Not Active	Low Activity	Medium Activity	High Activity
Chibombo					
Chisamba					
Chitambo					
Mkushi					
Kapiri Mposhi					
Kabwe					
Mumbwa					
Shibuyunji					
Serenje					
Itezhi-Tezhi					

Table 2: Muchinga Province Determination of Active District Chambers of Commerce

District	Does Not Exist	Not Active	Low Activity	Medium Activity	High Activity
Chinsali					
Isoka					
Nakonde					
Mafinga					
Chama					
Shiwang'andu					
Mpika					
Kanchibiya					

Data Source: District Planning Office and the Provincial Chamber of Commerce.

For some districts, the private sector is not formally organized, which weakens their voice in engaging with councils. Furthermore, the private sector lacks an understanding of the councils' core functions, their rights, and how they can be involved in decision-making processes, including

planning, budgeting, and performance management by councils. As a result, most of the dialogue with the private sector is currently *ad hoc*.

Recommendation: There is need to strengthen private sector capacity for dialogue with councils by providing technical assistance on the critical functions of the councils and making the private sector aware of their rights by law to dialogue with district councils. Local Impact could support councils to develop business support units responsible for promoting dialogue with the private sector.

7.3 The Role of Local Government in Facilitating District Private Sector Investments

Findings: The assessment found that for most of the districts assessed, the councils have not done much to facilitate investment nor engage the private sector. Instead, the councils are spectators to large capital projects such as roads and the development of industrial parks, with minimal participation. There is still significant scope for private sector investment in other private sector services such as the construction of abattoirs and slaughterhouses, parking bays for trucks, storage facilities for agricultural produce, and agro-processing. There is a need for technical assistance training to district councils to better understand what role they can play in collecting and promoting local investment opportunities.

Recommendation: Local Impact can provide TA, demonstration activities, and a toolkit to districts on how to attract domestic and international investment. A training will highlight examples of social media and websites as well as B2B matchmaking and investment facilitation services successfully provided by other local governments.

7.4 Climate Change Integration

Findings: Local Impact conducted a climate risk assessment to inform adaptive management and help stakeholders understand how the changing climate, and related issues such as pandemics, affect planning, natural and financial resource management, and emergency services. Although not specifically addressed in this PSVA, it was apparent during the assessment that much work must occur on climate change, particularly in climate change integration. For instance, there is a need to provide capacity building in the area of nursery establishment and management, which would increase the varieties of trees planted and will generate income to the community as an alternative to charcoal burning through planting fast-growing trees such as bamboo instead of cutting down traditional tree varieties.

Recommendation: Local Impact could assist district authorities to create, enhance, or integrate corresponding emergency response plans into development planning architecture. The project could also promote conservation farming through sensitization and technical support through the supply of seeds that improve soil quality. There is also a need to promote farming through rainwater harvesting for irrigation of crops and depend on rain-fed plants. Furthermore, climate change management and mitigation measures can be considered and integrated across the other planned trainings and interventions across Local Impact.

7.5 Business Enabling Environment

Findings: The assessment showed that for most districts visited, the business enabling environment does not promote private sector productivity. Local businesses emphasized the challenges they face in accessing land and the lengthy and complicated procedures for the allocation of land and obtaining title deeds for land from the Ministry of Lands. Furthermore, most private sector respondents observed that council and district officials do an inadequate job of encouraging and supporting economic development and job creation. Despite the devolving functions to the councils, the business environment has not improved, and service delivery is still lacking.

Recommendation: Local Impact could support local councils to strengthen governance in land administration, focusing on the acquisition of valuation roles for councils, where this is not available. Local Impact could also assist local authorities to become planning authorities.

7.6 Decentralization, PSE Capacity Building, and National and Sub-national coordination

Findings: The assessment found that most of the prescribed functions from central authorities to councils have not actually been devolved. For instance, most of the experts from the key priority sectors of health, agriculture, livestock, and education are not part of the council structures and still report to their primary meetings and only submit regular reports to the councils. The councils do not have the authority to hold experts from these key sectors fully accountable when they fail to deliver a service. These critical sectors should be fully devolved to the councils with the matching resources.

Recommendations: Local Impact could support the process of improved collaboration by these sectors in service delivery. Local Impact could build the capacity of district councils to: understand the pros and cons of the various types of PSEs and PPPs and become capable to carry out a tender for service provision, management of private sector contractors, and transparent monitoring and reporting to citizens; and learn how to hold regular and transparent dialogue with the private sector, the benefits of doing so, and best practices.

Local Impact can also support coordination (tripartite – national and local authorities plus non-state actors) at provincial and district level through the Provincial District Development Committees, District Development Committees and Ward Development Committees. Local Impact will be looking to support these structures to function better as a cross-cutting objective. As part of improving the district planning process, Local Impact will also support the district Local Economic Development (LED) strategies, that will be facilitated to include private sector input.

7.7 Solid Waste Management

Findings: Many of the district officials and private sector representatives interviewed highlighted the need for improved solid waste management, including garbage collection and disposal. Outsourcing these services to local services providers would provide quick wins for both the public and private partners by improving service delivery, providing much-needed revenues for

councils, and generating jobs and business opportunities for small enterprises. However, political will and capacity within the council and the private sector is critical for outsourcing to work.

Recommendation: To complement and reinforce the recommendation to build the capacity to implement the outsourcing of waste collection to the private sector, the Local Impact team will develop an adaptive management stoplight system (red for poor, yellow for medium, green for good) to rate:

- The district council on open and transparent political will and capacity to implement transparent service delivery in solid waste management; and
- Local private sector actors' level of sophistication including resource base, flexibility, and readiness to problem solve and innovate in order to implement government service contracts.

The Local Impact team will then map the stoplight system to identify the best potential pilot outsourced solid waste management options. Given the interest in solid waste management PPPs by many of the councils and local businesses, Local Impact will implement one to two pilots for solid waste management, an activity clearly within local government's mandate. Local Impact can bring participants on a study tour to places where solid waste management is working well in Zambia, provide training and technical assistance to the district councils on how to write the terms of reference, request quotes, manage the tender, and provide oversight to contractors as well as a feedback mechanism for small business and household customers. Simultaneously, the project can provide training to businesses interested in competing for the tender(s) to learn the necessary technical skills, budgeting, and business management skills. After the pilot, Local Impact can disseminate information with the other districts through success stories in traditional and social media, communications, informational exchanges, and study tours. Possible pilots could include Mpika, Chinsali, Kabwe, Kapiri Mposhi, Chitambo, and Serenje.

7.8 Land Administration

Findings: One of the issues affecting the business enabling environment for most enterprises is challenges in land administration. Most private sector actors lamented that it was difficult and costly to acquire land. The relationship between councils and traditional authorities affects the acquisition of land, as land in most districts is still within the control of traditional authorities. Even when it has been converted into statutory land, some traditional leaders still interfere in planning for already allocated land.

Recommendation: Local Impact could deliver training for the private sector to understand the roles and responsibilities of the councils and their rights, particularly on land tenure issues. It could support councils to obtain planning authority status, stimulate dialogue between councils and the private sector on issues of mutual concern, including setting council rates, and promote better understanding the land acquisition process.

7.9 Infrastructure Development

Findings: Most private sector stakeholders consulted highlighted infrastructure as one of their significant challenges, particularly that feeder roads leading to farming areas for most districts are

often impassable, and a constraint to delivering produce to markets in a cost-effective and timely manner. Other critical infrastructure issues included a lack of abattoirs, inadequate school, and health infrastructure such as health posts, a lack of functional public toilets, and a lack of proper storage facilities, particularly for grains.

Recommendation: Local Impact could organize forum councils and businesses to meet and identify realistic infrastructure partnerships. This could be done by working directly with existing or establishing new Chambers of Commerce to organize and focus their members on PPP opportunities.

7.10 Water, Sanitation, and Hygiene

Findings: The assessment highlighted that there are challenges with water, sanitation, and hygiene for all the districts assessed. It was found that the more remote an area, the more it has challenges with a lack of public toilets, erratic water supply from utility companies, and poor planning in terms of designation of food outlets for some districts such as Chitambo and Chinsali, among other concerns.

Recommendation: Local Impact could support local sensitization campaigns on the importance of improving water, sanitation, and hygiene and facilitates collaboration through PPPs, focusing on the construction of public toilets, garbage collection, improving solid waste management, and ensuring a clean and reliable supply of water. The project should explore opportunities for collaboration with the USAID Scaling Up Nutrition Technical Assistance where there is geographic overlap in Central Province.

7.11 Issues for Future Consideration

The findings and recommendations presented in this report will serve as a baseline for Local Impact. These preliminary findings and recommendations will be revised and updated regularly to integrate the findings of future assessments. Specifically, Local Impact will explore the following outstanding questions:

- What would motivate disengaged district councils to begin engaging productively with the private sector and take a holistic interest in economic development?
- Relatedly, Section 6.1.4 notes the Chinsali Town Council's perceived lack of interest in economic expansion and yet a number of opportunities outlined by the private sector interviewees. Local Impact will seek to understand what is behind this, as a priority early in implementation.
- This assessment discovered PSE opportunities related to mining. However, Local Impact needs to engage further with mining industry players to understand what sort of economic development options are viable in this sector and what might be beyond the capabilities (or time frame) of Local Impact to influence. In Year 1 of implementation, Local Impact will seek to engage key players such as: (1) The Chamber of Mines, which represents mining companies and (2) the Zambia Extractive Industries Transparency Initiative (EITI - housed at the Ministry of Mines) which has a detailed understanding of mining potential across the country down to the district level and the political and economic considerations (and constraints) involved in getting traction on these opportunities.

- In addition, the report highlights tourism opportunities. Tourism could present a powerful opportunity for Local Impact to facilitate joint problem solving by local and national authorities by devising and implementing tourism strategies at the regional level. This might be an area of 'quick wins' as the challenge here appears to be mostly about coordination, promotion and bringing together key investors. Local Impact will explore whether the cluster approach would work well for tourism, because areas of natural beauty or historic significance may stretch over several districts. The tourism sites in Central and Muchinga could be grouped into thematic circuits that local authorities could team up to deliver, in coordination with provincial authorities, national ministries -- and the private sector. Section 5.6.7 speaks to this possibility.
- Local Impact will also seek to unpack what is in the ward development committee reports shared with the private sector. This seems to present an interesting information flow to examine and explore to improve public and private sector engagement.
- Lastly, when devising interventions responsive to this study, Local Impact will be attentive to and coordinate with the new USAID/Zambia program, Enterprise Development and Growth Enhanced (EDGE), which operates in Central and two other provinces. EDGE aims to accelerate the growth of agricultural small and mid-size businesses through improved business skills and technology and access to more financing and markets.

BIBLIOGRAPHY

ADS 201 01/22/2021 Partial Revision

<https://www.usaid.gov/sites/default/files/documents/201.pdf>.

Anyan, Iola, Jamil Hasan, Matthew Swaim, and Huiting Tan. Zambia's Infrastructure Public Private Partnerships Policy: Steps to Strengthen the Framework. Capstone Report for the Elliott School of International Affairs, George Washington University, Washington, DC, 2016.

GRZ. Constitution of the Republic of Zambia, Lusaka, 2016.

GRZ. Local Government Act No 2, of 2019 of the Laws of Zambia (Schedule 16.2), Lusaka, 2019.

GRZ. National Decentralization Policy, Second Schedule, Lusaka, 2003.

GRZ. National Decentralization Implementation Plan, Lusaka, 2009.

GRZ. Report of the Committee of the National Assembly on Economic Affairs, Energy and Labor, Lusaka, 2016.

Mwanaumo, E.M., Michael Kalumbu, Mwewa Mambwe, Muntanga Mfula Lindunda. Risk Analysis and Management in Public Private Partnerships of Urban Markets in Lusaka, Zambia. <http://www.ieomsociety.org/harare2020/papers/354.pdf>.

Mwanaumo E.M., S. Chisumbe, N. Mbewe, M. Mambwe M. and L. Haabazoka L. "Suitable Infrastructure Projects for Public Private Partnerships in Zambia." In: Popkova E., Sergi B., Haabazoka L., Ragulina J. (eds) Supporting Inclusive Growth and Sustainable Development in Africa - Volume I. Palgrave Macmillan, 2020. https://doi.org/10.1007/978-3-030-41979-0_19.

Mwenda, Kenneth. "Public-private Partnership: The Case of Zambia". Zambia Daily Mail, <http://www.daily-mail.co.zm/public-private-partnership-case-zambia-2/>, July 9, 2015.

PPP Knowledge Lab. Zambia Page. <https://pppknowledgelab.org/countries/zambia>, nd.

ANNEX I. PRIVATE SECTOR ENGAGEMENT VIABILITY ASSESSMENT TOOL FOR DISTRICT COUNCILS

ABOUT YOUR DISTRICT COUNCIL

Please complete the information in the table below:

Name of district council	
Name of contact person	
Designation	
Contact email and phone	

This section is intended to assess the viability of the councils, by assessing their capacity to perform devolved functions. This information is also meant to identify possible opportunities for Public-Private Partnerships with the private sector.

Section I: The purpose of this section is to determine how district councils are engaging the private sector.				
Instructions: Answer Y for “Yes” and N for “No”				
	Currently Performing	Income Generating	Capacity to Perform	PPP Potential
I.1 Pollution control				
I.2 Building regulations				
I.3 Childcare facilities				
I.4 Electricity				
I.5 Firefighting services				
I.6 Local tourism				
I.7 District planning				
I.8 District health services				
I.9 District public transport				
I.10 District public works				
I.11 Levies				
I.12 Pontoons, ferries, jetties, piers, and harbors				
I.13 Storm water management systems in built-up areas				
I.14 Trading				
I.15 Water and sanitation services limited to potable				

and wastewater and sewage disposal				
I.16 Veterinary services excluding regulation of the veterinary profession				
I.17 Tariffs				
I.18 Vehicle licensing				
I.19 Abattoirs				
I.20 Ambulance services				
I.21 Archives				
I.22 Libraries				
I.23 Liquor licensing				
I.24 Museums				
I.25 Local spatial planning				
I.26 Cultural matters				
I.27 Control of undertakings that sell liquor to the public				
I.28 Facilities for the accommodation, care, and burial of animals				
I.29 Fencing and fences				
I.30 Licensing of dogs				
I.31 Licensing and control of undertakings that sell food to the public				
I.32 Local amenities				
I.33 Local sport facilities				
I.34 Markets				
I.35 Manage local parks and recreation				
I.36 Local roads and amenities				
I.37 District public works				
I.38 Levies				
I.39 Sport				
I.40 Roads and traffic automation and maintenance				
I.41 Amusement facilities				
I.42 Billboards and the display of advertisements in public places				
I.43 Cemeteries, funeral parlors, and crematoria				

I.44 Local cleaning				
I.45 Control of public nuisance				
I.46 Gardens and landscaping				
I.47 Refuse removal, refuse dumps, and solid waste disposal				
I.48 Public places				

Section 2: The purpose of the section is to learn more about private sector activities in Local Impact priority sectors.

Instructions: For each of the sectors/sub-sectors identified, kindly answer the listed questions in as much details as possible.

2.1 Agricultural Sector

2.1.1 List your key priority areas for the agricultural sector.

2.1.2 Of the priority areas that you have listed, what challenges have inhibited growth of these sectors?

2.1.3 Which sectors have shown a positive growth trend over the last five years?
Has crop yield production has increased?

2.1.4 What interventions would ensure a positive sustainable growth in the sectors highlighted?

2.1.5 The Decentralization Policy of 2013 has devolved agricultural, fisheries, veterinary, and livestock extension services to the councils. What has your council done to improve service delivery in these areas since the devolution?

2.1.6 What in your view has been the main challenge in delivering extension services?

2.1.7 What opportunities, if any, have you identified for possible collaboration with the private sector? Please list them.

2.2 Health Sector

The Decentralization Policy has devolved district health services (i.e., primary health care, environmental health, and public health services), HIV/AIDS management, and human rights and gender mainstreaming to the councils.

2.2.1 Since devolving the listed functions above, how have you performed in the provision of these services?

2.2.2 What are the main challenges you have identified in the provision of services in these areas?

2.2.3 Which area among the listed functions has shown the most improvement/growth since 2017?

2.2.4 What opportunities are available for collaboration in these areas?

2.2.5 Which donors have supported implementation of programs related to district health services provision and HIV/AIDS Management?

2.2.6 What support do you require to improve service delivery in this area?

2.3 Water, Sanitation, and Hygiene (WASH)

The Decentralization Policy devolved water and sanitation and the management of solid waste to the council.

2.3.1 How has the provision of service delivery in these key priority areas from the time these were devolved to the council?

2.3.2 Which of these areas has shown the most improvement since it was devolved to the council?

2.3.3 What are the main challenges that you have encountered in service provision in these areas?

2.3.4 What opportunities are available for collaboration in these areas?

2.3.5 What recommendations are you making, if any, to improve service delivery in the area of WASH? What sort of intervention would make your service delivery more effective?

2.4 Education Sector
The Decentralization Policy has devolved primary and early education and adult literacy to councils.
2.4.1 How has early childhood and early adulthood education performed since the devolution process?
2.4.2 Which specific areas within these sectors requires improvement? Which ones have shown improvement since the devolution?
2.4.3 What have been the main challenges you have encountered in service provision in these areas?
2.4.4 What opportunities are available for collaboration in these areas?
2.4.5 What interventions are required to improve your service delivery in these areas?
2.5 Land Administration
Land allocation and utilization has been devolved to councils.
2.5.1 How have the procedures relating to the allocation of land improved following devolution to councils?
2.5.2 What challenges are you currently experiencing in relation to this?
2.5.3 What support do you require, if any, to improve the collaboration between traditional authorities and councils to improve land allocation?
2.5.4 List any possible interventions needed to enable easier access of land for the private sector.

Section 3: The purpose of this section is to identify capacity building needs of local authorities.		
Instructions: Please rank your interest in learning about any of the following capacity building needs. Indicate 1 for Low, 2 for Medium, and 3 for High in the boxes for each item.		
3.1	Performance Management	
3.2	Strategic Planning	
3.3	Annual Operation Planning	
3.4	Budgeting	
3.5	Organizational Self-Assessment	
3.6	Internal Controls	
3.7	Public Private Partnership	
3.8	Stakeholder Engagement	
3.9	Program Evaluation	
3.10	Human Resource Management	
3.11	Own Source Revenue Mobilization	
3.12	Financial Management	
3.13	Councilor Capacity	
3.14	Leadership Development	
3.15	Local Economic Development and Job Creation	

Section 4: The purpose of this section is to assess county capacity to engage the community.		
Instructions: Please rate the council's capacity to engage the community. Indicate L for Low, M for Medium, and H for High in the boxes for each item.		
4.1	To what extent does your council have the capacity to facilitate community engagement on policy issues?	
4.2	To what extent does your council have the capacity to engage interest groups (youth, women, disabled, adolescents) to ensure inclusion in policy issues?	
4.3	Does your council have a platform for private sector engagement, and if so, to what extent is this platform viable?	
4.4	If you answered yes in 4.3, how in your view can this platform be enhanced to improve public service delivery? Private sector needs to be encouraged to participate more in district development coordinating meetings as well as increase their role in monitoring of programs at midterm rather than just involving them at initial stages.	
4.5	To what extent does your council engage the local Chamber of Commerce or Business Community?	

Section 5: Assessment of council debt.		
Instructions: Please indicate the current total debt owed.		Amount
5.1	What is the council's debt to NAPSA?	
5.2	What is the council's debt to ZRA (PAYE)	
5.3	What is the council's debt to LASF?	
5.4	What is the council's debt on Personnel Emoluments?	
5.5	What is the council's debt to suppliers of goods and services? (Goods, telephone services (Zamtel, Airtel, MTN), and fuels and lubricants)	

ANNEX 2. PRIVATE SECTOR ENGAGEMENT VIABILITY TOOL FOR CHAMBERS OF COMMERCE/BUSINESS ASSOCIATIONS

ABOUT YOUR CHAMBER/COMPANY

Please complete the information in the table below:

Name of Chamber/Company	
Name of contact person	
Designation	
Contact email and phone	

Section 1: Business Enabling Environment				
Instructions: Please answer Y=Yes and N=No for the following questions.				
1.1	Are the wait times for registration and licensing a business reasonable?			
1.2	Has this improved with devolved functions to councils?			
1.3	Does your council and district officials do an adequate job of encouraging and supporting economic development and job creation?			
1.4	Which of the following would you say most affects establishment of your business? Rate your answers as L=Low, M=Medium or H=High			
1.4.1	Lengthy and bureaucratic procedures			
1.4.2	Costly land/difficult to access			
1.4.3	Complicated procedures			
1.4.4	Lack of or inadequate business support services			
1.4.5	Lack of interest or priority by local authorities on local economic development and job growth			
1.4.6	Bias towards foreign owned firms			
1.5	Are you easily able to access local planning documentation from the councils?			
1.6	Is revenue collection by councils effective and fair?			
1.7	Is corruption by district or council officials a problem?			
Section 2: Perceptions on Decentralization				

Instructions: Please answer Y= “Yes” or N= “No”		
2.1	Has the process on decentralization been effective here?	
2.2	Which devolved services are the councils now providing efficiently?	
2.3	How would you classify the businesses that are represented here? Are they primarily large companies or SMEs?	
2.4	What in your view have been the benefits and challenges of decentralization?	
2.5	What should be done to improve the efficiency in service delivery by the councils?	
2.6	What in your view is the role of the private sector in the decentralization process?	
2.7	In your view, has there been transparency by government in the implementation of the Decentralization Policy for transfer of functions and resource allocations?	
2.8	Has the provision of services by councils been responsive to your needs as the private sector? What has worked, what needs to be improved?	
2.9	Could you list specific areas of policy intervention that Local Impact could prioritize in order to ensure optimal provision of services by councils?	

Section 3: Public Private Sector Partnership Enabling Environment		
Instructions: Kindly rate the following as L=Low, M=Medium, and H=High		
3.1 Business Enabling Environment		
3.1.1	Ease of establishing a business	
3.1.2	Business confidence	
3.1.3	Stable exchange rate	
3.1.4	Financial sector experienced in handling long term lending decisions	
3.1.5	Restrictions on repatriation of profits	
3.2 PPP Policy Framework and Social Political Framework		
3.2.1	Broad political support for PPPs	
3.2.2	Clear allocation of authority/responsibility	
3.2.3	Distinct process for unsolicited PPP proposals in policy framework	
3.2.4	Clear criteria for government financial support	
3.2.5	Civil society support for PPPs as a viable means of providing infrastructure and basic services	
3.2.6	Funds available for projects with added social welfare purpose	

3.2.7	Resettlement and rehabilitation provided for communities disrupted by PPP project	
Instructions: Kindly answer in as much detail as needed.		
3.2.8	What are your recommendations regarding private sector engagement to improve service delivery?	
3.2.9	Are there companies that are involved in build, operate, and transfer model contracts?	
3.2.10	How has that worked? Are there any recommendations for the future?	

Section 4: Public Private Sector Resource Mobilization		
4.1	How has your revenue generation been in the last five years as a business?	
4.2	Does the organization have an organizational plan that identifies resource needs?	
4.3	Does the organization receive support from a donor/more than one donor? Which kind of support have you received?	
4.4	What is your resource mobilization strategy and what have you prioritized over the next five years?	
4.5	Does the organization have income-generating activities or other sources of funds that are not tied to a single program but can support general operations?	
4.6	Does the organization partner with other organizations to maximize input and minimize cost?	

Section 5: Stakeholder Involvement		
5.1	Does the organization have a clear definition of stakeholders?	
5.2	Does the organization have complete and up-to-date information about all stakeholders working in the same geographic and/or technical areas?	
5.3	Does the organization have collaborative agreements with relevant stakeholders?	
5.4	Does the organization plan with and update relevant stakeholders (community, donors, districts, etc.) on progress?	
5.5	Is advocacy a part of the organization's priorities?	
5.6	Does the organization participate in developing and/or implementing an advocacy plan to improve uptake of service(s) by the target population?	

Section 6: Opportunities for PPPs with the council

Instructions: Of this list of functions by councils, which of the one/s would your institution be interested in undertaking under a PPP arrangement with the council? Kindly answer Y=Yes or N=No.

6.1 Pollution Control	6.11 Vehicle licensing	6.21 Control of undertakings that sell liquor to the public
6.2 Building regulations	6.12 Abattoirs	6.22 Facilities for the accommodation, care, and burial of animals
6.3 Childcare facilities	6.13 Ambulance services	6.23 Fencing and fences
6.4 Electricity	6.14 Archives	6.24 Licensing of dogs
6.5 Firefighting services	6.15 Libraries	6.25 Licensing and control of undertakings that sell food to the public
6.6 Local tourism	6.16 Liquor licensing	6.26 Local amenities
6.7 District airports, aerodromes, and airstrips	6.17 Museums	6.27 Local sport facilities
6.8 District planning	6.18 Local spatial planning	6.28 Markets
6.9 District health services	6.19 Cultural matters	6.29 Local parks and recreation
6.10 District public transport	6.20 Recreation and amenities	6.30 Local roads