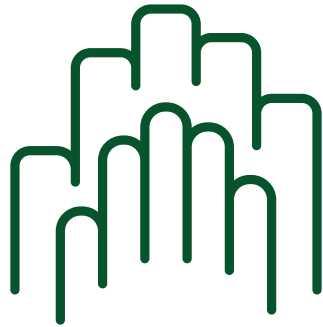


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# Creating new cities, raising revenues, and developing a national urbanisation strategy: The case of Zambia

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# Presentation Agenda

- History and Creation of New Districts, Towns & Cities in Zambia
- Methods of Financing of New Towns and Cities
- Role of the National Urbanisation Policy (NUP) in improving governance and financing
- Key Lessons for Ugandan New Cities Initiative
- Conclusion

# History and Creation of New Towns and Cities

## Urbanization & Urban Development in Zambia

- **1900 – 1964**: Settler, Administrative & Mining Towns
- **1964 – 2010**: State led Urban Dev & Private Developer led Town Development
- **2011 on wards**: Creation of New Districts, Towns & Cities
- From **72 Districts in 2011** to **116 Districts in 2021**: 44 Districts & Towns created in 10 years (Average of 4 towns per year)

# ZAMBIA Urban Growth Trends (2010–2035)

Main urban centres of Zambia	Population in 2010	Estimated Population 2025	Estimated Population 2035
Lusaka	1,747,152	3,285,329	4,560,560
Kitwe	501,360	871,560	1,190,534
Ndola	451,246	646,417	777,276
Kabwe	202,360	253,429	286,418
Chingola	185,246	331,747	417,590
Mufulira	151,309	208,330	238,112
Livingstone	134,349	214,579	280,508
Luanshya	130,076	163,775	182,773
Chipata	116,627	224,086	331,642
Kasama	101,845	162,640	216,620
Solwezi	90,856	238,623	354,546
Mansa	78,153	176,538	272,307
Chililabombwe	77,818	140,927	196,673
Kalulushi	76,015	137,811	191,006
Kafue	72,166	131,490	178,793
Mazabuka	71,700	125,801	166,493
Mongu	52,324	66,044	78,081
Choma	51,842	75,276	92,465
Kapiri Mposhi	44,783	94,749	150,129
Nakonde	41,836	95,888	153,376

**Hierarchy of urban settlements in Zambia**

- Level 1
- Level 2
- Level 3
- Level 4



# Reasons for Creation of New Provinces, Districts, Cities & Towns

- Large size of Zambia: c. 752, 000 sq. km
- Large spatial extent of districts and provinces
- 40% of Zambians live in Urban areas
- Containment of rural to urban migration
- Administrative/Political; Economic Justification

**What are implications for financing Housing, Urban and Infrastructure Development?**



# Typical New District Created in 22012 in Eastern Province of Zambia



# Typical New District Created in 2012 in Eastern Province of Zambia



# Methods of Financing New Towns and Cities

## National Govt. Subventions (Fiscal Decentralization)

- **Local Government Equalization Fund**
- **Constituency Development Fund (CDF)**
- Land Development Fund
- **Chinese Loans - Construction of Civil Servants/Defense personnel Housing**
- **Infrastructure Development Funds (NRFA, RDA, etc.)**
- Capitalisation/Recapitalisation of FIs – DBZ (Private Developers), ZNBS/Councils

# Financing New Towns and Cities in Zambia

- Public Private Partnerships
- Eurobonds (USD 2 Billion)
- Private/Venture Capital
- **Grants from Donor Agencies**
- **New Inter-Governmental Fiscal Architecture**
  - **Municipal Bonds**
  - **Green-Climate Bonds**
  - **Other financial instruments –blended finance**

# Development of National Urbanisation Policy (NUP)

## Timeline

- **2013 – 2014:** Background Studies funded by UN Habitat
- **2015 – 2016:** Conference on National Urbanisation and Human Settlements
- **2017 – 2018:** **National Technical Committee** established UN Habitat/UNDP
- **2018 – 2020:** IGC engaged as Consultant to complete the NUP
- **2020:** Government approves NUP,
- Gives a clear policy direction on human settlements and urban development in Zambia

# Role of National Urbanisation Policy (NUP)

- **Avoid/mitigate future** human-made and environmental **disasters**
- **Create job opportunities**
- **harnessing agglomeration advantages** of concentrated economic activity
- Deliver more cost-effective **public services and infrastructure**.
- **Strengthen municipal institutions** in planning/managing urban growth
- Develop a more **functional national urban system** that contributes to rural development and transformation

# Lessons for the Uganda New Cities Initiative

- Creation of new towns based on **strong economic fundamentals/Economic Base/Comparative Advantages**
- **Conduct thorough studies**
- **Stakeholder and community involvement** - **No-one-left-behind principle**
- **Urban Planning / Urban-Rural Linkages Models of Development**
- **Private sector involvement and dialogue** e.g., Kalumbila New Town
- Innovative financing mechanisms e.g., PPPs, Green/Climate Bonds
- **Government support:** to kick-start urban development process

# Conclusion/Recommendations

- Creation of New Towns based on strong economic fundamentals
- Incentivize private sector to invest in New Towns
- Explore PPPs
- Involve civil society and seek National Government support
- Explore innovative financing mechanisms e.g. Green/Climate Bonds



# THANK YOU

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