COUNTRY : ZAMBIA

PROJECT NAME : LUMWANA COPPER PROJECT

SECTOR : Mining

CONTRIBUTION OF ADB: US DOLLAR 43 MILLION

PROJECT DESCRIPTION:
The project, located in the Northwestern Province of Zambia, involves the development of an open cast mine, the construction of a copper concentrate processing plant, a transmission line from Solwezi to Lumwana, water dam and tailings storage facilities, and associated the mining of two distinct copper deposits. About 20 million tons of copper ore will be mined each year to produce an average 450,000 tons of copper concentrate per annum.

PROJECT BENEFITS: The infrastructure in the Northwestern Province, where the project is located, is poor and Government-supported facilities are limited and need significant upgrade. The development of the Lumwana Project is likely to engender positive socio-cultural and economic impacts in the area, which has so far received little meaningful investment. The project represents substantial foreign direct investment in the country and thus will have a positive impact both in terms of employment creation and in terms of contribution to Gross Domestic Product.

The project will generate significant employment of over 1,500 jobs during the construction phase and 1,055 direct jobs during the operating phase. Most of these employees will be recruited from the Solwezi province and the Copperbelt area. The effect on employment in the Solwezi region is likely to be substantially larger, however, when support industries are taken into account, which typically result in an employment multiplier of 3 to 5 times direct employment. Supported dependents are likely to represent a multiplier of between 5 to 10 times. Commitments were made to assist the local community by (i) employing 160 local people during the preparation of Feasibility Study. Of this number, 120 were employed from the Lumwana area; (ii) constructing permanent bridges across local streams and rivers to assist movement of people, especially during the rainy season when rivers are flooded, and (iii) constructing a health clinic and accommodation block, which has been handed over to local government. Additional jobs will be generated in the service sector (subcontractors, suppliers, etc) in Solwezi and the Copper belt region.