



**AFRICAN DEVELOPMENT  
 BANK GROUP**

**PROGRAM: NATIONAL RURAL WATER SUPPLY AND  
 SANITATION PROGRAM (PRONASAR) IN  
 NAMPULA AND ZAMBEZIA PROVINCES**

**COUNTRY: MOZAMBIQUE**

## **PROGRAM APPRAISAL REPORT**

*Date: July 2010*

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## Currency Equivalents

July 2010

UA 1.00	=	MZN 36.3424
UA 1.00	=	USD 1.47890
UA 1.00	=	EURO 1.20520

## Fiscal Year

1<sup>st</sup> January- 31<sup>st</sup> December

## Weights and Measures

1 metric tonne	=	2204 pounds (lbs)
1 kilogramme (kg)	=	2.200 lbs
1 metre (m)	=	3.28 feet (ft)
1 millimetre (mm)	=	0.03937 inch (“)
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

## Acronyms and Abbreviations

AfDB	African Development Bank	DAU	Department of Urban Water Supply
AIAS	Water and Sanitation Management Fund	DAS	Water and Sanitation Department
AIP	Annual Implementation Plan	DCC	District Consultative Council
ARA	Water Resources Management Agency	DRA	Demand-responsive Approach
ASAS	Sectoral Support to the Water Sector	DHS	Demographic and Health Survey
ASNANI	Integrated Water Supply and Sanitation Project for Nampula and Niassa	DES	Sanitation Department
APM	Association of Mozambican Drillers	DFID	Department for International Development/UK
AT	Administrative Tribunal	DNA	National Directorate of Water
CBO	Community-Based Organization	DNT	National Directorate of the Treasury
CDC	Community Development Council	DPFP	Decentralized Planning and Finance Program
CFPAS	Training Centre for Water and Sanitation	DPOPH	Provincial Directorate of Public Works and Housing
CIDA	Canadian International Development Agency	FIPAG	Fund for Water Supply Investment and Asset Management
CLTS	Community-Led Total Sanitation	GAS	Water and Sanitation Working Group
CoC	Code of Conduct	GBS	General Budget Support
CPAR	Country Procurement Assessment Report	GIS	Geographic Information System
CRA	Water Supply Regulatory Authority	GoM	Government of Mozambique
CUT	Single Treasury Account	GPC	Division of Planning and Control - DNA
CUT - ME	Multi-currency Treasury Account	HAUPA	Environmental Hygiene and Productive Use of Water Project (CARE)
DAF	Department of Administration and Finance	HIV/AIDS	Human Immune Deficiency Virus/ Acquired Immune Deficiency Syndrome
DAR	Rural Water Department	INE	National Institute of Statistics

MDG	Millennium Development Goal	TOR	Terms of Reference
MEC	Ministry of Education and Culture	UFSA	Unit for Procurement Supervision
MICS	Multiple Indicator Cluster Survey	UGEA	Procurement Management Unit
MIPAR	Rural Water Supply Implementation Manual	UNICEF	United Nations Children’s Fund
MISAU	Ministry of Health	USD	United States Dollar
MoF	Ministry of Finance	UTRAFE	Technical Unit for Public Sector Reform
MOPH	Ministry of Public Works and Housing	VL0M	Village level Operation and Maintenance
MOU	Memorandum of Understanding	WatSan	Water and Sanitation
MPD	Ministry of Planning and Development	WASHCost	Water, Sanitation and Hygiene Cost Program
MTEF	Medium-Term Expenditure Framework	PFM	Public Financial Management
NGO	Non-Government Organization	PHAST	Participatory Hygiene and Sanitation Transformation
NRWSSP	National Rural Water Supply and Sanitation Program		Project Implementing Agency
O&M	Operation and Maintenance	PIU	Project Implementation Unit
ODAMOZ	Mozambique ODA Database	PMR	Planning, Monitoring and Review
OE/OGE	State Budget	PNA	National Water Policy (1995)
PAF	Performance Assessment Framework	PRSP	Poverty Reduction Strategy Paper
PAP	Program Aid Partnership	WSC	Water and Sanitation Committee
PARPA	Action Plan for Reduction of Absolute Poverty	WSP	Water and Sanitation Program – World Bank
PSAA	Small Piped Water Systems	WSS	Water Supply and Sanitation
PASR	RWSS Common Fund	WSUP	Water and Sanitation for the Urban Poor
PDD	District Development Plan	ZAMWAT	Integrated Water Resources Management and Rural Water Supply in the Zambezi River Basin

## Program Information

### Client's information

BORROWER:	Ministry of Public Works and Housing
EXECUTING AGENCY:	National Directorate of Water

Financing Plan	USD million	UA million
Common Fund		
Canada	1.0	0.7
Netherlands	16.5	11.2
UNICEF	1.7	1.2
Swiss	3.0	2.0
DFID	8.4	5.7
Non Common Fund:		
ADF (Loan)	7.79	5.27
RWSSI TF	7.36	4.98
UNICEF	30.0	20.3
MCC	8.9	6.0
Italy	4.9	3.3
Ireland	3.5	2.4
USAID	3.0	2.0
Austria	2.1	1.4
Swiss	3.1	2.1
Swiss (WaterAid)	2.1	1.4
Aga Khan	1.7	1.2
JICA	1.7	1.2
Line of Credit – India	15.0	10.0
Domestic Resources	32.2	21.8
Financing Gap	48.15	31.25
<b>Grand Total</b>	<b>200.0</b>	<b>135.2</b>

### ADB's key financing information

Loan / grant currency	UA/EURO
Interest type*	N/A
Interest rate spread*	N/A
Commitment fee*	0.5% (50 basis points)
Other fees*	0.75% (service charge)
Tenor	600 months
Grace Period	120 months
EIRR (base)	16.3%; 34.12 million MZN

*\*if applicable*

### Timeframe - Main Milestones (expected)

Concept Note approval	June 2010
Project approval	October 2010
Effectiveness	March 2011
Last Disbursement	December 2015
Completion	December 2014
Last repayment	December 2059

## **Project Summary**

The National Rural Water Supply Program (PRONASAR), in Mozambique, arises from a preparation study funded by the African Water Facility (AWF) managed by the Bank, to address critical issues of opening up access to rural water supply and sanitation facilities for the millions of inhabitants in the rural areas of Mozambique. It is designed as a Sector-Wide Approach to Programming (SWAP), which includes a Common Fund which will result in a number of water wells constructed and rehabilitated, develop base line data bases, and regional and local master plans, conduct yearly financial audits, as well as annual value for money technical audits; and provide institutional training and capacity enhancement across the various segments of national, provincial and district level.

The Bank has been supporting the water and sanitation sector in Mozambique since 1981, and is amongst the top three active donors in the sector judging by the volume of investments. In addition, it has adopted the Rural Water Supply and Sanitation Initiative (RWSSI) to address the rural situation in the water sector which is much worse compared with the urban situation.

Through the Bank's proposed intervention, of an ADF loan of UA 5.27 million and Rural Water Supply and Sanitation Initiative Trust Fund (RWSSITF) grant of Euro 6 million, improved water supplies and improved sanitation and health and hygiene facilities, would be available to additional 300,000 and 500,000 rural inhabitants respectively in Nampula and Zambezia provinces. On the whole, the PRONASAR aims to provide 3.8 million rural inhabitants with access to improved water and sanitation facilities. To Increase the present rural water supply coverage from 55% to 70% by 2015 requires the provision of up to 17,000 new or rehabilitated water points and 151 small water supply systems, while increasing sanitation coverage from 40% to 50% by 2015 requires the construction of about 200,000 improved household latrines, representing a total investment of USD 200 million

The Bank Group's intervention would contribute to increasing coverage with tremendous benefits in terms of reduction in water-borne diseases, improved school attendance (particularly by girls) and increased production time due to water collection time saved.

The financial management systems at DNA, Nampula and Zambezia provinces, and the districts under Nampula and Zambezia provinces will be used to account, record and report the financial transactions of the Bank's intervention. The existing systems will be strengthened by hiring a finance consultant stationed at DNA, and an additional finance officer for each of the Nampula and Zambezia provinces; and providing regular training to finance staff at DNA, the two provinces and beneficiary districts.

## VII RESULTS BASED LOGICAL FRAMEWORK

Hierarchy of Objectives	Expected Results and Timeframe	Reach (Target Population)	Performance Indicators	Indicative Targets Timeframe	Assumptions/Risks
<p><b>Sector Goal:</b> To contribute to satisfaction of basic human needs, improve well being and reduce rural poverty through increased access to water supply and sanitation services</p>	Improved health and socio-economic well being of the rural population	Rural Mozambicans	Water and sanitation coverage  Under 5 mortality rate	<p>By 2025</p> <p>Access to safe drinking water of 25 litres, per person, per day, within 500 meters from household increased to 90%</p> <p>Access to improved sanitation facilities increased to 90%</p> <p>U5 mortality rate decreased to 50 per 1000 live births</p> <p>Sources: Household budget survey, MDG progress report, National Census, Demographic Health Surveys, Agenda 2025.</p>	<p>Stable macroeconomic framework continued</p> <p>Sector reforms and decentralization policy pursued and sustained</p>
<p><b>Program Objectives</b> To increase sustainable access to water supply and sanitation</p>	<p><b>Medium Term Outcomes</b> Increased number of rural communities with adequate management, O&amp;M capacities.</p> <p>Improved knowledge, attitudes and practices in relation to health and hygiene and sanitation</p>	<p><b>Beneficiaries</b> Rural Mozambicans in Nampula and Zambezia Provinces</p>	<p><b>Outcome Indicators</b> People with access to improved drinking water sources resulting from the program and % female</p> <p>People with access to improved sanitation facilities resulting from the program and % female.</p> <p>People sensitized with regard to health and hygiene education</p> <p>Ratio of operational water facilities as % of total public no of water facilities</p>	<p>By 2015 access to safe drinking water increased for an additional 300,000 people of which 50% will be women.</p> <p>By 2015 improved sanitation facilities for an additional 500,000 people of which 50% will be women.</p> <p>People sensitized: 500,000; 55% female</p> <p>Functionality: 85% by 2015</p> <p>Sources: Baseline data; monitoring system; DHS;</p>	<p>Institutional capacity at district and provincial level strengthened and sustained</p> <p>Functionality, O&amp;M, and sustainability in general closely monitored and supported</p> <p>Fiduciary risks mitigation action plan accepted/implemented</p>

<p><u>Activities/Inputs</u></p> <p>1. Decentralized Planning Support</p> <p>2. Capacity Building</p> <p>3. Rural Water Supply Infrastructure</p> <p>4. Rural Sanitation</p> <p>5. Technical Assistance and Consultancies</p> <p>6. Testing Alternative Options</p> <p>7. Program Management</p> <p>ADF = UA 5.27 m RWSSITF = UA 4.98 m</p>	<p><u>Short-Term Outputs</u></p> <p>1.1 RWSS Master Plans; District monitoring; Equipment (national, provincial and district); databases at national, provincial and district levels, and staff</p> <p>2.1 Government staff training; Private sector training; and NGO capacity building</p> <p>3.1 Water points, wells and boreholes; Traditional and zonal; PEC; New and rehabilitated wells and boreholes; and Small piped systems</p> <p>4.1 Hygiene and sanitation promotion; Demonstration centres and local artisan associations; Household investment in latrine development</p> <p>5.1 Technical assistance (national and provincial level); Outsourcing procurement services; Outsourcing external monitoring and PAF; Contract management consultancy; Procurement management consultancy; Technology options and business packages</p> <p>6.1 Handpumps; latrines; supply chains; management models</p> <p>7.1 Program management; annual Audit; Value for Money (technical audit); joint annual sector review;</p> <p>8.1 Functionality of water facilities</p>	<p>Rural communities, districts and provinces <b>in Namputa and Zambezia Provinces</b></p>	<p>Additional potable and non-potable water production capacity at community water point resulting from the program intervention</p> <p>New on-site sanitation facilities resulting from the program intervention</p> <p>People educated through hygiene programs that are part of the program intervention</p> <p>New collective bodies formed to manage the use of water responsibly that are resulting from the program intervention</p> <p>Public and private sector staff trained</p> <p>Number of districts with RWSS plan</p> <p>Number of joint water sector reviews (JWSR)</p>	<p>New boreholes: 500</p> <p>New wells: 70 Rehabilitated and extended small piped water systems: 4</p> <p>Household latrines: 100,000, and increased use of the facilities</p> <p>People sensitized: 200,000; 55% female</p> <p>Water and sanitation committees: 600; 50% female</p> <p>Staff trained: 170; 50% female</p> <p>RWSS Plans: 34 districts</p> <p>JWSR: 4</p> <p>Sources: Financial Audit Reports; Technical Audit (Value for Money) Reports ; QPRs; PCR</p>	<p>Continued political commitment</p> <p>Availability of accurate information</p> <p>Adequate technical and institutional capacity</p> <p>Sustained demand will provide incentives for private sector</p>



**REPORT AND RECOMMENDATION OF THE MANAGEMENT OF THE ADB GROUP  
TO THE BOARD OF DIRECTORS ON A PROPOSED LOAN/GRANT TO MOZAMBIQUE  
FOR THE NATIONAL RURAL WATER SUPPLY PROGRAM (PRONASAR) IN NAMPULA  
AND ZAMBEZIA PROVINCES**

Management submits the following Report and Recommendation on a proposed ADF loan for UA 5.27 million and a RWSSI grant for EURO 6.00 million to finance the National Rural Water Supply and Sanitation Program (PRONASAR) in Nampula and Zambezia Provinces of Mozambique.

***I – STRATEGIC THRUST & RATIONALE***

**1.1. Project linkages with country strategy and objectives**

The Government has articulated plans for poverty reduction and economic growth namely, the Five Year Program (2005-2009) and the second generation of Action Plan for the Reduction of Absolute Poverty, (PARPA II), for the period 2006-2009. The PARPA II (Mozambican PRSP I) has three pillars: governance, human capital, and economic development. PRONASAR is based on two policy frameworks, the Strategic Plan for the Rural Water Supply and Sanitation Sub-sector (PESA-ASR) and PARPA: the Strategic Plan for the RWSS and the Action Plan for the Reduction of Absolute Poverty (2009-2012) respectively.

The program is in line with the Bank's Group Vision and strategic plan, the Millennium Development Goals and the Bank's Medium Term Strategy. It falls within the objectives stated in the Country Strategy Paper concerning support for development of basic infrastructure in the rural areas, including water supply and sanitation. It also falls within the PRSP objective for the water supply and sanitation sector. The Bank has developed the Rural Water Supply and Sanitation Initiative (RWSSI) to address the rural situation in the water sector which is much worse compared with the urban situation. The PRONASAR is the result of the Bank's and the African Water Facility support to Mozambique and has resulted in a program supported by several partners.

**1.2. Rationale for Bank's involvement**

The rationale for the Bank's involvement in the water supply and sanitation sector is built on the extensive experience the Bank has in Mozambique and in the region. These investments have raised its profile and led to expectations in the sector culminating in the request for the Bank to join a Common Fund for the PRONASAR. Further the proposed Program fits well in the Bank's Medium Term Strategy.

The Bank Group should intervene for the following reasons: Current potable rural water coverage is low at 55% and rural sanitation coverage at 40%, and the Bank intervention would increase coverage with tremendous benefits in terms of reduction in water-borne diseases, improved school attendance (particularly by girls) and increased production time due to water collection time saved; In order to meet the MDGs by 2015, the GOM has requested support from the Bank Group for the PRONASAR whose objectives are consistent with those of PARPA.

The table 1 below shows the rural water and sanitation coverage figures in 2009 and the MDG targets.

Table1: Source: Country Status Overview Mozambique, WSP, AfDB; 2010

Table 1: Coverage Targets for Water Supply and Sanitation						
	2009			MDG – 2015		
	Rural Population (millions)		Access	Rural Population (millions)		Access
	Total	Served	Rate	Total	Served	Rate
Rural Water	14.5	8.0	55%	16.9	11.8	70%
Rural Sanitation	14.5	6.0	40%	16.9	8.4	50%

In addition, the Program concept is in line with the objectives of the new National Water Policy, revised in August 2007 and approved by the Council of Ministers. The Policy emphasizes:

a) A demand-responsive approach (DRA) whereby communities choose service levels based on their perceived needs and capacity and ability to pay ; (b) An upfront contribution to capital costs and full operation and maintenance (O&M) costs to foster ownership of the improved facilities (c) Involvement of beneficiaries in planning, design, construction, supervision, monitoring and O&M through local committees and councils, NGOs and the private sector; and (d) Maximizing health benefits by integrating water supply, sanitation and hygiene promotion and including school-based activities.

The Bank has been supporting the water and sanitation sector in Mozambique since 1981. The total water sector portfolio amounts to UA 87.53 million. These completed projects include the Maputo Water Supply Project (UA 10 million), the District Towns Water and Sanitation Study, (UA 1.80 million), the Maputo Water Supply Augmentation Project including the PCR (loan UA 17.5 million and grant UA 2.16 million) ; the Integrated Water Supply and Sanitation Project in Nampula and Niassa Provinces including the PCR (loan UA 15.7 million and a grant UA 1.0 million) . The Urban Water Supply, Sanitation and Institutional Support, in four southern cities which will be completed in 2010 (loan UA 19.06 million and grant UA 2.31 million); whilst the Niassa Provincial Towns Water Supply and Sanitation Project, in two northern towns, (loan UA 18 million) is ongoing.

The Bank is amongst the top three active donors in the sector judging by the volume of investments. Other major role players in the sector include the World Bank Group, the European Union (EU), Government of Netherlands , the Canadian International Development Agency (CIDA); the Danish International Development Agency (DANIDA), the European Investment Bank (EIB), the UK Department for International Development (DFID), Nordic Development Fund (NDF), Agence Francaise de Development (AFD), Swiss Development Corporation (SDC), Government of Portugal (GOP), UNICEF, Japanese International Co-operation Agency (JICA), Government of India, Ireland Aid, Water Aid and the Millennium Challenge Corporation (MCC).

There is close cooperation among the development partners which is led by a troika (currently The Netherlands, CIDA and Swiss Development Cooperation). The framework for cooperation is anchored in a Code of Conduct and a MoU for cooperation in the sector including a Common Water Sector Fund for the PRONASAR.

### 1.3. Donors coordination

Mozambique has a fairly well established coordination mechanism which has been in place for some ten years. The Programme Aid Partners (PAP) comprises a Core Group of six key sector donors and the GoM; as well as technical working groups. As a whole, the water sector partners consist of 3 multilaterals and 15 bilaterals. At the high level of cooperation, annual review meetings take place, attended by Government and donors in which sector performance is measured through the Performance Assessment Matrix. Moreover, government and donors meet every year in order to plan and set targets for the next year.

The coordination within the rural water supply and sanitation sub-sector is fairly well structured. In addition Donors and development partners have cooperated using the Code of Conduct (CoC) for the Water Sector and Memorandum of Understanding (MOU) for a RWSS Common Fund. For the rural water supply and sanitation sub sector, the Group of Water Supply and Sanitation (GAS) is composed of Government and Development Partners, including NGOs, which meet on a monthly basis for coordination purposes in the sector.

## II – PROJECT DESCRIPTION

### 2.1. Program components

The average rural water supply and sanitation coverage in Nampula and Zambezia Provinces is 40.7% and 39.5% respectively. The ADF supported part of the Program will focus on the Districts with less than 50% rural water supply coverage in Nampula and Zambezia Provinces as follows:

N.	Component	Cost (UA)	Component description
1	<b>Decentralized Planning Support</b>	1.54	RWSS Master Plans (2); District Plans (30); Equipment (National, provincial and district); and Staff.
2	<b>Capacity building</b>	0.37	Government staff training (170); Private sector training (50); and NGO capacity building (30).
3	<b>Rural Water Supply Infrastructure</b>	5.35	Water points (new wells and rehabilitated/ new boreholes (570); and Small Piped Systems (4).
4	<b>Rural Sanitation</b>	1.54	Hygiene and sanitation promotion (34 districts); Demonstration centres and local artisan association (34 districts); Household investment in latrine improvement (100,000).
5	<b>Technical Assistance and Consultancy</b>	0.51	National level ; Provincial level; Technical assistance; Outsourcing procurement services; Outsourcing external monitoring and PAF; Annual external money for value Audit; Contract management consultancy; Financial management consultancy; Procurement management consultancy; Technology options and business packages
6.	<b>Testing Alternative Options</b>	0.28	Latrines (2,000); supply chains; management models.
7.	<b>Program Management</b>	0.67	Program management; annual audits; annual value for money annual audits
	Total	10.25	

## 2.2. Technical solution retained and other alternatives explored

The solutions are based on functional options relating to water sources, transmission, storage and distribution, as adopted on similar schemes that were recently implemented.

A menu of technical options (shallow wells with hand-pump; borehole with hand-pump; borehole with submersible pump driven by diesel/electricity/solar/wind; gravity fed schemes; rain water harvesting systems) will be used. Priority will be given to low maintenance solutions where practical renewable energy options will be promoted to support improved functionality.

The design parameter for the water schemes makes allowance for supplying at least a reliable supply of 25 litres per person per day, through public stand pipes located within a distance of about 500m from respective rural households. Provision of point sources in rural areas, comprising of shallow wells with hand pumps, is not everywhere feasible because of the depth of the ground water, the large water level fluctuations in many shallow wells and the occurrence of fluorine and/or saline groundwater, hence deeper wells, and power driven pumps will also be constructed. Some Small piped schemes will be rehabilitated and extended based on feasible technical and sustainable management options.

## 2.3. Program type

The Program is a SWAP funded from a common fund by a number of donors, as well as outside of the common fund.

## 2.4. Program cost and financing arrangements

The Bank will contribute to the overall program cost of UA 135.6 million, through an ADF Loan amount of UA 5.27 million, and a RWSSI TF Grant amount of Euro 6 million. This will be channelled outside of the Common Fund, due to the incompatibility of the positions taken on ICB procurement, by the MOU signatories (and the ADF).

**Table 2.3- Bank's Intervention cost estimates by component (UA millions)**

Component:	LC	FC	Total	% foreign
Decentralized Planning Support	0.43	1.01	1.44	70
Capacity Building	0.28	0.07	0.35	20
Rural Water Supply Infrastructure	3.01	2.01	5.02	40
Rural Sanitation	1.16	0.29	1.45	20
Technical Assistance and Consultancies	0.24	0.24	0.48	50
Testing Alternative Options	0.17	0.07	0.24	30
Program Management	0.32	0.32	0.63	50
Contingencies	0.37	0.27	0.63	42
Total	5.98	4.27	10.25	

Funding by donors to the common fund is UA 20.81 million, whilst the total funding outside of the common fund is UA 41.35 million. In addition there is Government funding amounting to UA 47.2 million. This leaves a funding gap of UA 31.3 million (table 2.4). In order to address the funding gap, the GoM is in discussions with a number of other donors. The Islamic Development Bank is considering project financing of approximately UA 6.78 million

Table 2.4: Sources of financing [amounts in million UA equivalents]

Table 2.4 - Sources of Financing		
Source of Financing	Amount (million UA)	% of total
<b>Common Fund:</b>		
Netherlands	11.2	8.3
DFID	5.7	4.2
UNICEF	1.1	0.9
CIDA/Irish	0.7	0.5
SDC	2.0	1.5
<b>Total Common Fund</b>	<b>20.8</b>	<b>15.4</b>
Project Funding	51.3	38.0
ADF + RWSSI TF	10.2	7.6
Domestic Resources	21.8	16.1
Financing Gap	31.1	23.0
<b>Grand Total</b>	<b>135.2</b>	<b>100.0</b>

Table 2.5 - Bank Intervention Expenditure schedule by component (UA millions)					
Component:	2011	2012	2013	2014	Total
Decentralized Planning Support	0.46	0.46	0.31	0.31	1.54
Capacity Building	0.11	0.15	0.11	0.00	0.37
Rural Water Supply Infrastructure	0.54	1.61	1.61	1.61	5.35
Rural Sanitation	0.15	0.31	0.61	0.46	1.54
Technical Assistance and Consultancies	0.10	0.20	0.15	0.05	0.51
Testing Alternative Options	0.03	0.11	0.13	0.00	0.27
Program Management	0.13	0.20	0.20	0.13	0.67
<b>Total</b>	<b>1.53</b>	<b>3.04</b>	<b>3.13</b>	<b>2.56</b>	<b>10.25</b>

## 2.5. Program's target area and population

The PRONASAR's reach is the entire rural area of Mozambique. However the ADF supported interventions are in Nampula and Zambezia Provinces which at 3.39 million, and 3.73 million respectively are the most densely populated in Mozambique, in addition to having poor water coverage of 40.5% and 39.3% respectively (DNA 2009). The Program will address imbalances in coverage within the provinces and districts, and will promote aid harmonization and institutional reforms in the RWSS sub-sector, with particular focus on capacity development at district and local levels. The rural population benefitting from the PRONASAR is estimated at 3.8 million out of a total rural population of 16.9 million, whilst the rural population in Nampula and Zambezia Provinces benefitting in improved water supplies and improved sanitation, health and hygiene facilities is estimated at 300,000, and 500,000 respectively.

## 2.6. Participatory process for program identification, design and implementation

The AWF financed the development of the Program. During the program feasibility and preparation phase, there has been an intensive effort at consulting with stakeholders. Further, the program preparation was jointly done by ADB, donors, the Ministry of Public Works and Housing and several

other line ministries, which contributed to the reformulation of the program design, in particular, the approach to achieving improved access in rural sanitation. The following coordination bodies have been established to aid broad participation across the board, namely: Coordination Committees for Water and Sanitation Sector (SCC), RWSS, Subsector (RWSS-CC), Common Fund (CF-CC) and the PRONASAR National Steering Committee. In addition the Bank’s mission also held meetings with the development partners.

Fiduciary Risk Assessments were executed in 2008, and in 2010, as a contribution to the preparation process.

**2.7. Bank Group experience, lessons reflected in program design**

The lessons learnt from the implemented projects are: (i) Capacity in the sector is not at the required level. This lesson is translated in capacity building at national, provincial and especially at district level; (ii) Implementation can be improved provided people involved have a good perception of the cost of delays as well as the importance of monitoring and evaluation information. This lesson is taken into account through awareness creation of all stakeholders involved; (iii) That monitoring and evaluation is hampered by inadequate information in an appropriate form, such as practical indicators; this lesson was used to design the list of program indicators, which incorporates the core sector indicators. (iv) Procurement problems are persistent; the Program will organize regular, at least once a year, project implementation training sessions with special attention for procurement, in the Portuguese language (v) Functionality of facilities is a continuing problem; the supply chain will be reviewed and a study is included in the Program in order to develop a practical approach to resolve this continuing problem. Another lesson learnt was that (vi) the sustainability of completed facilities requires continuous follow-up and management support by the IA or other national, provincial or local agencies; this is built upon, by ensuring that the NGOs, and Service providers are contracted to provide support over the life span of the program (vii) Finally, the lesson from the Integrated Water Supply and Sanitation project of project institutional structures not being fully integrated into the implementation entity upon project closure, is built upon by using existing agency staff, and providing other forms of incentives such as training, and institutional capacity building for their participation towards the delivery of the program outputs.

**2.8. Key performance indicators**

The key performance indicators are: People with access to improved drinking water sources (number), of which are female (percentage), access to improved sanitation facilities (number), of which are female (percentage) as well as new on-site sanitation measures (individual, grouped) (number), people educated through hygiene programs (number), of which are female (percentage), new committees/ with approved associations (number), of which include women as members (percentage), public and private sector staff trained in project implementation; number of districts RWSS plan; and number of joint sector reviews carried out.

**III – PROJECT FEASIBILITY**

**3.1. Economic and financial performance**

*Table C1. Key economic figures*

EIRR (base case)	16.3%
	34.12 million MT

*NB: detailed calculations are available in Annex B7*

The assessment of the economic benefits associated with the Bank’s intervention indicates that this will target an additional 300,000 people who will have access to water and an additional 500,000

people with access to improved sanitation in the rural areas of Nampula and Zambézia provinces. The major economic benefits that will accrue to the beneficiary households are:

i) Socio-economic benefits (opportunity costs) of alternative uses of time previously used for fetching water by the household over a long distance, ii) Social benefits enjoyed by the household due to better health from improvement in sanitation and water supply, iii) Social benefits accruing from a reduction in health costs.

The analysis also indicated that the project is economically feasible and is likely to generate an economic internal rate of return of 16.3% (34.12 million MT equivalent to US\$ 900 thousand dollars over 25 years period).

## **3.2. Environmental and Social impacts**

### **3.2.1 Environment**

The Program has been categorized as category 2 on 22 June 2010. Further, a Strategic Impact Assessment (SIA) Report has been prepared and cleared by ORQR. It is envisaged to have minimal possible impacts on the environment. During the implementation of program activities, representatives of MICOA, the Environmental Focal Person in the respective Province, and designated Staff of DPOPH will review the environmental and social screening results as well as the environmental checklists that were completed in the course of a Program's preparation to ensure that all environmental and social impacts have been identified and successfully mitigated. The limited volumes pumped out of the rural domestic water wells will be no risk at depleting aquifer sources, due to the typical low yields, and nature of the pumping technologies to be installed

An Environmental and Social Management Plan (ESMP) has been prepared and disclosed according to the Bank's requirements. The ESMP identifies possible environmental and social impacts of the project which are envisaged to be minimal; it also recommends mitigation actions which are to be implemented. This is in addition to technical manuals which would also contribute to adequately addressing identified environmental issues through specified design criteria. It will be the responsibility of DNA who will designate an officer to oversee the implementation of the ESMP.

### **3.2.2 Climate Change**

The program will enhance measures to maximise the use of groundwater and rainwater for climate adaptation and development to address water demands in the light of possible climate variability. In this respect the program will involve investments in facilities to maximize water collection and conservation; this would include structures for rain water harvesting managing run-offs and for the recharge of groundwater. In addition, the various awareness packages which form part of the community mobilization for the program will be used to sensitize the program beneficiaries on how to conserve and manage water resources.

### **3.2.3 Gender**

The Program documentation recognizes that women's role and participation in water management has been limited particularly, at local level. The programs' activities therefore seek to improve this through the various PEC (Community Education Program) activities which will be funded as part of the program. In addition, as gender equality is critical to the successful execution of the PRONASAR a comprehensive gender analysis of the sector will be completed as part of the base line studies currently underway. This will entail collating details of the economy and society as a whole (macro level), the sector and its key institutions (meso level), and households and their individual members (micro level).

### **3.2.4 Social**

The positive impacts of the program includes the provision of safe and sufficient potable water closer to homes, improved sanitation and behaviour changes typified by safe hygiene practices. Further, there will be the development of local economic enterprises trained to manage small construction assignments for the community such as latrines, and the facilitators chosen from within the communities who would receive training in the management and maintenance of the water facilities. Further, the program will contribute to the reduction of water borne diseases and also save time and energy spent by women and children – particularly girls – on water collection, which will, in turn, leave more time for attending school.

The hygiene and sanitation profile will - as part of the process to determine the sanitary status and prioritise the activities to be carried out - undertake a gender assessment in order to respond to specific roles, interests, and needs of various categories of women as compared to men.

The increasing HIV/AIDS prevalence poses a challenge to the water and sanitation sector in relation to its contribution to mitigating the impact of HIV/AIDS, as the prevalence rates show that women - especially young women- are most affected. Women and orphans are considered as a key target group of the program. Therefore, the program will, in line with the government policy include multi-sector plans, and undertake specific interventions with a view to addressing these groups.

### **3.2.5 Involuntary resettlement**

There is no involuntary resettlement foreseen.

## **IV – IMPLEMENTATION**

### **4.1. Implementation arrangements**

At central level, the PRONASAR Program Steering Committee, chaired by DNA, will provide oversight. In Nampula and Zambezia, the existing PRONASAR provincial steering committees will provide oversight, guidance and support for implementing the Program. Program Implementation Teams will be established in DPOPH-DAS consisting of existing staff in those organizations reinforced by Technical Assistance to be recruited. At district level, Program Implementation Teams supported by partner NGOs and others will be formed to plan, manage and monitor RWSS activities. In addition, the existing Water and Sanitation Working Groups (GAS) and Water and Sanitation Fora will serve as consultative and advisory bodies to support RWSS activities at provincial and district levels, respectively. Technical assistance (TA), training, equipment and other support will be provided at all levels as required.

The existing structures and systems at the Department of National Water (DNA), Provincial Directorate of Public Works and Housing (DPOPH), and District Administrations will be used to implement the Bank's intervention. At the national level, DNA will be the executing agency for the Bank's intervention. The Rural Water Department (DAR) in DNA, supported by the Planning and Control Cabinet (GPC), the Sanitation Department (DES), the Administration and Finance Department (DAF), the Human Resources Department (DRH) and the Procurement Unit (UGE), will be responsible for the coordination of the Bank's intervention. At provincial level, the Department of Water and Sanitation (DAS) under the Provincial Department of Public Works and Housing (DPOPH) will implement the Bank's intervention. The Administration and Finance, Human Resources, and the Procurement Departments under DPOPH will provide regular support to DAS in their respective areas. At the district level, the Bank's intervention will be implemented and managed and coordinated by the District Planning and Infrastructure Unit. The various departments under

DPOPH will advise, assist and support the District Administration in planning, budgeting, and financial management as required.

#### **4.2 Fiduciary Risk Assessment**

The 2008 PEFA report by the World Bank and DFID indicated that the public sector financial management systems needed strengthening. It also stated that despite satisfactory improvements in the management of the economy, the comprehensiveness and transparency of the budget was lacking, the medium-term planning and budgeting could be improved, while budget execution and accounting and reporting presented weaknesses. To improve the weaknesses noted in the PEFA report, the government has initiated various PFM reforms, including the introduction of a new Financial Management (FM) law that formed the basis for the introduction and implementation of a computerized state financial management system (Sistema Electronico de Administraco Financeira do Estado-e-SISTAFE), which has since been rolled out to all budget executing entities at national and provincial level, as well as to 51 of the 128 districts. The quality of the PFM is expected to continue improving as a consequence of the ongoing reforms but this will take some time. The report concluded that the public FM system is adequate for handling investment projects/programs.

Another assessment was executed in 2009, with funding by DFID. It confirmed the findings of the PEFA, as a result of which the Bank requested of DNA for a Mitigation Plan, which will be implemented as part of the undertakings for the program.

An umbrella Technical Assistance (TA) is under recruitment, and when in place will reinforce the capacity of DNA to implement the program activities at all levels. It will work closely with the Implementing Agencies (IA) including recently created procurement units (UGEA) at central, provincial and district levels.

#### **Country Procurement Assessment**

The outcomes of the 2008 Country Procurement Assessment Report (CPAR), showed improvements in certain areas (Pillar I & III)<sup>1</sup>, while there was little or no significant progress with regard to the rest (Pillar II & IV)<sup>2</sup>. The country procurement risk assessment has been assessed as substantial at national level and high at sub national (provincial and district) levels. Accordingly, the current implementation framework, under the proposed program with the use of country systems does not provide adequate fiduciary assurances. Subsequently, the Bank seek to minimize these risks by the use of its rules and procedures while also maintaining the need for transparency and level playing field by using international competitive bidding (ICB), where appropriate.

#### **4.3 Financial Management**

The current financial management systems at DNA (DFA), Nampula and Zambezia provinces, and the districts in both provinces will be used to account, record and report the financial transactions of the Bank's intervention. The existing systems will be strengthened by the recruitment of a finance consultant at DNA, and additional finance officers for each of the Nampula and Zambezia provinces. This will be complemented through the provision of regular training to the finance staff at DNA, the two provinces and beneficiary districts. The recruitment of the additional finance officers will be one of the conditions for the first disbursement. DNA (DAF) will be responsible for the overall management of the resources of the Program, and compilation of quarterly and annual financial reports. The DPOPH (DAF) in each of the Nampula and Zambezia provinces will be responsible for

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<sup>1</sup> Pillar I - Legislative and Regulatory Framework, & Pillar III - Procurement Operations and Market Practices

<sup>2</sup> Pillar II – Institutional Framework and Management Capacity, & Pillar IV – Integrity and Transparency of the Public Procurement System

the management of the Program resources, and compile quarterly and annual financial reports for onward transmission to DNA (DAF). The fiduciary risk mitigation plan prepared by DNA, included basic elements to reduce the risks identified. The Bank will closely follow up the implementation of the plan during supervision missions.

#### **4.4 Procurement**

All procurement of goods and works and acquisition of consulting services financed by the Bank will be in accordance with the Bank's *Rules and Procedure for Procurement of Goods and Works* or, as appropriate, *Rules and Procedure for the Use of Consultants*, using the relevant Bank Standard Bidding Documents.

#### **4.5 Disbursement Arrangements**

Disbursement arrangements for the Bank’s intervention will entail the use of the special account and direct payment methods and procedures described in the Bank’s Disbursement Handbook..In addition, the Bank will issue a Disbursement Letter of which the content will be discussed and agreed during negotiations.

DNA will open a special account in foreign currency at the Bank of Mozambique. In addition, DNA, the beneficiary provinces and the districts will open local currency accounts, which will be used to transfer money from the special account to cover eligible expenditures

#### **4.6 External Financial Audit of the Program**

The financial statements for the Bank’s intervention will be audited by an independent audit firm acceptable to the Bank. The audit will be conducted in accordance with International Auditing Standards. DNA (DAF) will be responsible for the appointment of external auditor and facilitate the audit process The annual audited financial statements will be submitted to the Bank within six months after the end of each fiscal year. The sample terms of reference for the audit are accessible from the Bank’s website ([www.afdb.org](http://www.afdb.org)).

#### **4.7. Monitoring**

A national baseline survey is being undertaken, which will provide updated information on water supply and sanitation in the country.

The program will be implemented over a period of four years over which the Bank, Government, and Development Partners shall jointly supervise the program twice a year and a Mid Term Review conducted 24 months after loan effectiveness. The M&E will be outsourced to an independent agency. CSI indicators to be monitored will include the ones applicable for rural water supply and sanitation.

<u>Timeframe</u>	<u>Milestone</u>	<u>monitoring process / Feedback loop</u>
09/2010	Program Team established	ADF/MZFO
09/2010	Loan Approval	ADF
05/2011	Loan Effectiveness	Launching Mission – Follow-up
08/2011	First Disbursement	ADF – MZFO to monitor
06/2012	Annual Sector Review	Inclusive of consumers feedback
06/2013	Mid Term Review	All Stakeholders Involved – Follow-up
12/2014	Completion	ADF/MZFO

#### **4.8. Governance**

According to the World Bank's Governance rankings for 2009, Mozambique's performance on the six governance dimensions i) Voice and Accountability, ii) Political Stability and Lack of Violence/Terrorism, iii) Government Effectiveness, iv) Regulatory Quality, v) Rule of Law, and vi) Control of Corruption, is in the second percentile rank in comparison with countries in Sub-Saharan Africa that were surveyed. The Government is steadily implementing the required policy and regulatory reforms in the water sector. The Code of Conduct for the water sector is viewed as stimuli for strengthening Governance in the sector.

#### **4.9. Sustainability**

The financial sustainability of the program is strengthened by the adoption of the demand responsive approach, which requires beneficiary communities to make up front payments of 5-10% of the capital required for the water well in cash and kind. The current practice is that MZN 2,500 and MZN 10,000 respectively (approximately US\$ 100 and US\$ 400 at the time they were set) are contributed upfront for a new water well, or a small pipe system. For families who did not contribute during the initial fund drive, rates of about MZN 40 per month is levied. In predominantly peri-urban areas, standard tariffs of about 0.1 MZN per 20 litre jerry can is set at the collection point. The water committees manage the funds for the ongoing operations and maintenance of the facility.

In addition, training on minor technical repairs will be done, and training manuals provided. Technical sustainability is strengthened through the selection of technologies appropriate to the skills available in communities (hand pumps, rain water harvesting facilities, solar power etc)

The gathering of base line data, and the provision of training for the preventative maintenance, the building of human resource capacity across the different tiers of national, provincial, district and community levels, the provision for yearly value for money audits, and community awareness, will substantially contribute to the overall suitability of the program

Finally, the provision of independent monitoring agencies to carry out quality assurance of program implementation; post-construction management and technical support for districts and establishment of supply chain will ensure the sustainability of the program's outcomes.

#### **4.10. Risk management**

**Fiduciary management:** There is lack of sufficient fiduciary management capacity at provincial and district level. This would be mitigated by the recruitment of well trained staff as well as the implementation of appropriate training programs. There are mid term reviews in place including annual joint sector reviews; public expenditure financial accountability assessments; annual financial audits; annual procurement reviews and annual technical audits (value for money).

**Political Risks:** Future diminished political support for the ongoing policies, strategies and priorities; business environment; pace of decentralization. Mitigating measures: commitments to ongoing policy reforms monitored, through the ongoing dialogue with the Government.

The Executing Agency's (DNA) and the DPOPH's current weak institutional capacities at national/provincial/district level is a risk. This will be addressed through the provision of technical assistance and targeted capacity building measure, as well as the Institutional Support aspects of the program.

#### **4.11. Knowledge building**

The program will provide benefiting communities with knowledge in identifying and solving problems relating to Water Supply systems, Sanitation options; Basic Environmental issues and Community health and hygiene issues.

## **V – LEGAL INSTRUMENTS AND AUTHORITY**

### **5.1. Legal instrument**

An ADF Loan Agreement will be executed between the Fund and the Borrower.

### **5.2. Conditions associated with Bank's intervention**

- Conditions Precedent to Entry into Force of the Loan Agreement
  - (i) The Loan Agreement shall enter into force subject to the fulfilment by the Borrower of the provisions of section 12 of the General Conditions Applicable to Loan Agreements and Guarantee Agreement of the African Development Fund.
- Conditions Precedent to First Disbursement for the Loan :
  - (i) Provide evidence of opening special accounts at the Bank of Mozambique. For the Proceeds of the Loan and Grant
  - (ii) Provide evidence that a Financial Consultant at DNA (DAF) and additional finance officer in each of the Nampula and Zambezia Provinces (DPOPH-DAF) have been hired.
- Undertakings:
  - (i) That DNA/DPOPH will ensure that the Fiduciary Risk Assessment Mitigation Plan is implemented as designed, and progress against milestones reported upon regularly;
  - (ii) That DNA/DPOPH will implement the Environmental and Social Management Plan and report on a quarterly basis, on the status of such implementation.

### **5.3. Compliance with Bank Policies**

This project complies with all applicable Bank policies.

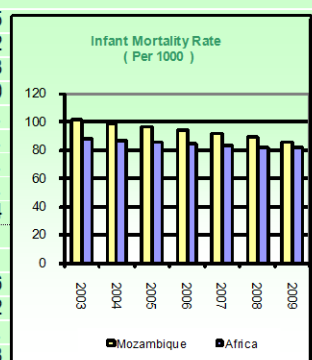
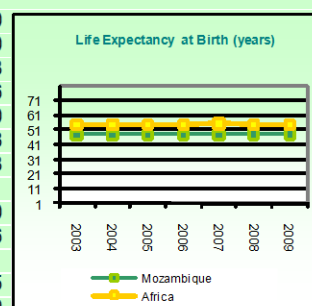
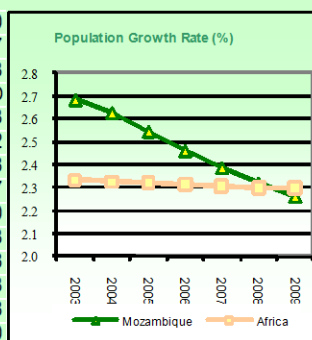
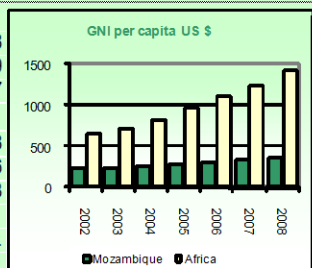
## **VI – RECOMMENDATION**

Management recommends that the Board of Directors approve the proposed loan of UA 5.27 million and the RWSSI grant of EURO 6.0 million to the Government of Mozambique for the purposes and subject to the conditions stipulated in this report.

## Mozambique- Appendix 1

### COMPARATIVE SOCIO-ECONOMIC INDICATORS

	Year	Mozambique	Africa	Developing Countries	Developed Countries
<b>Basic Indicators</b>					
Area ( '000 Km²)		802	80 976	80 976	54 658
Total Population (millions)	2009	22.9	1,008	5,629	1,069
Urban Population (% of Total)	2009	37.6	39.6	44.8	77.7
Population Density (per Km²)	2009	28.6	3.3	66.6	23.1
GNI per Capita (US \$)	2008	370	1 428	2 780	39 688
Labor Force Participation - Total (%)	2009	46.0	41.2	45.6	54.6
Labor Force Participation - Female (%)	2009	55.9	41.2	39.8	43.3
Gender -Related Development Index Value	2005	0.373	0.525	0.694	0.911
Human Develop. Index (Rank among 182 countries)	2007	172	0.514	n.a	n.a.
Popul. Living Below \$ 1 a Day (% of Population)	2006	...	50.8	25.0	...
<b>Demographic Indicators</b>					
Population Growth Rate - Total (%)	2009	2.3	2.3	1.3	0.7
Population Growth Rate - Urban (%)	2009	4.4	3.4	2.4	1.0
Population < 15 years (%)	2009	44.0	56.0	29.2	17.7
Population >= 65 years (%)	2009	3.3	4.5	6.0	15.3
Dependency Ratio (%)	2009	89.6	78.0	52.8	49.0
Sex Ratio (per 100 female)	2009	94.7	100.7	934.9	948.3
Female Population 15-49 years (% of total population)	2009	23.9	48.5	53.3	47.2
Life Expectancy at Birth - Total (years)	2009	48.1	55.7	66.9	79.8
Life Expectancy at Birth - Female (years)	2009	48.8	56.8	68.9	82.7
Crude Birth Rate (per 1,000)	2009	38.3	35.4	21.5	12.0
Crude Death Rate (per 1,000)	2009	15.7	12.2	8.2	8.3
Infant Mortality Rate (per 1,000)	2009	85.9	80.0	49.9	5.8
Child Mortality Rate (per 1,000)	2009	145.3	83.9	51.4	6.3
Total Fertility Rate (per woman)	2009	5.0	4.5	2.7	1.8
Maternal Mortality Rate (per 100,000)	2005	520.0	683.0	440.0	10.0
Women Using Contraception (%)	2005	...	...	61.0	75.0
<b>Health &amp; Nutrition Indicators</b>					
Physicians (per 100,000 people)	2004	2.6	42.9	78.0	287.0
Nurses (per 100,000 people)*	2004	19.7	120.4	98.0	782.0
Births attended by Trained Health Personnel (%)	2006	...	50.5	63.4	99.3
Access to Safe Water (% of Population)	2006	42.0	64.0	84.0	99.6
Access to Health Services (% of Population)	2006	...	61.7	80.0	100.0
Access to Sanitation (% of Population)	2006	31.0	38.5	54.6	99.8
Percent of Adults (aged 15-49) Living with HIV/AIDS	2007	12.5	4.5	1.3	0.3
Incidence of Tuberculosis (per 100,000)	2007	431.0	313.7	161.9	14.1
Child Immunization Against Tuberculosis (%)	2007	90.0	83.0	89.0	99.0
Child Immunization Against Measles (%)	2007	75.0	74.0	81.7	92.6
Underweight Children (% of children under 5 years)	2006	...	25.6	27.0	0.1
Daily Calorie Supply per Capita	2005	2 085	2 324	2 675	3 285
Public Expenditure on Health (as % of GDP)	2006	3.5	5.5	4.0	6.9
<b>Education Indicators</b>					
Gross Enrolment Ratio (%)					
Primary School - Total	2008	114.2	100.2	106.8	101.5
Primary School - Female	2008	106.9	91.7	104.6	101.2
Secondary School - Total	2008	20.6	35.1	62.3	100.3
Secondary School - Female	2008	17.6	30.5	60.7	100.0
Primary School Female Teaching Staff (% of Total)	2008	35.3	47.5	...	...
Adult Illiteracy Rate - Total (%)	2007	55.6	59.4	19.0	...
Adult Illiteracy Rate - Male (%)	2007	42.8	69.8	13.4	...
Adult Illiteracy Rate - Female (%)	2007	67.0	57.4	24.4	...
Percentage of GDP Spent on Education	2006	5.0	4.5	...	5.4
<b>Environmental Indicators</b>					
Land Use (Arable Land as % of Total Land Area)	2007	5.7	6.0	9.9	11.6
Annual Rate of Deforestation (%)	2006	...	0.7	0.4	-0.2
Annual Rate of Reforestation (%)	2006	...	10.9	...	...
Per Capita CO2 Emissions (metric tons)	2008	0.1	1.1	1.9	12.3



Sources : ADB Statistics Department Databases; World Bank: World Development Indicators;

last update :

May 2010

UNAIDS; UNSD; WHO, UNICEF, WRI, UNDP; Country Reports.

Note : n.a. : Not Applicable ; ... : Data Not Available.

**Appendix II --**

**ADB Mozambique Ongoing Projects as at 31.08.2010**

	Sector Name	Fin.project	Long Name	Approval Date	Closing Date	Approved Amount	Disburse Amount
	Agriculture	P-MZ-AAF-001	ARTISANAL FISHERIES DEVELOPMENT PROJECT	14-Nov-01	30-Dec-10	14,170,000.00	6,025,7
	Agriculture	P-MZ-AAF-001	ARTISANAL FISHERIES DEVELOPMENT PROJECT	14-Nov-01	31-Dec-10	1,730,000.00	1,124,5
	Agriculture	P-MZ-AAZ-001	FAMILY SECTOR INCOME ENHANCEMENT PROJECT	31-Oct-00	31-Dec-10	12,460,000.00	8,701,2
	Agriculture	P-MZ-AAZ-001	FAMILY SECTOR INCOME ENHANCEMENT PROJECT	31-Oct-00	31-Dec-10	1,000,000.00	926,4
	Agriculture	P-MZ-AA0-026	MASSINGIR DAM AND SMALLHOLDER AGRICULTUR	2-Mar-07	31-Dec-11	17,000,000.00	2,081,8
	Agriculture	P-MZ-AAC-002	Massingir Dam Emergency Rehab. Project	15-Jul-09	31-Dec-11	13,300,000.00	
	Agriculture	P-MZ-AA0-015	RURAL FINANCE INTERM.SUPPORT PROJECT	12-Nov-03	30-Jun-11	11,520,000.00	6,416,2
	Agriculture	P-MZ-AA0-015	RURAL FINANCE INTERM.SUPPORT PROJECT	12-Nov-03	30-Jun-11	3,840,000.00	1,691,8
5	<b>Agriculture Total</b>					<b>75,020,000</b>	<b>26,96</b>
	Finance	P-MZ-HZ0-001	Financial Sector TA Project (FSTAP)	4-Oct-05	31-Jan-12	6,800,000.00	2,041,7
1	<b>Finance Total</b>					<b>6,800,000</b>	<b>2,04</b>
	Ind/Mini/Quar	P-MZ-BAA-001	MOMA MINERAL SANDS PROJECT	21-May-03	18-Oct-07	26,505,337.51	26,505,3
1	<b>Ind/Mini/Quar Total</b>					<b>26,505,338</b>	<b>26,50</b>
	Multi-Sector	P-MZ-K00-005	Inst. Support for Public Sector Reform	22-Jun-05	30-Aug-10	2,126,000.00	1,085,9
	Multi-Sector	P-MZ-K00-007	POVERTY REDUCTION SUPPORT LOAN II	22-Oct-08	31-Dec-10	60,000,000.00	60,000,0
2	<b>Multi-Sector Total</b>					<b>62,126,000</b>	<b>61,08</b>
	Power	P-MZ-FA0-006	ELECTRICITY IV PROJECT	13-Sep-06	31-Dec-12	26,300,000.00	448,0
	Power	P-MZ-FA0-005	Energy Reform and Access Program	5-Nov-03	30-Dec-10	9,017,000.00	7,609,5
	Power	P-MZ-FA0-005	Energy Reform and Access Program	5-Nov-03	30-Dec-10	1,965,000.00	413,7
	Power	P-MZ-FA0-004	RURAL ELECTRIF.PROJECT (ELECT III)	3-Sep-01	31-Dec-12	11,120,000.00	2,436,1
3	<b>Power Total</b>					<b>48,402,000</b>	<b>10,90</b>
	Agriculture	P-MZ-AZ0-001	Women's Entrepreneurship And Skills Deve	25-Jan-06	31-Dec-12	2,510,000.00	380,3
	Social	P-MZ-IA0-006	EDUCATION IV PROJECT	13-Sep-01	31-Dec-10	10,000,000.00	6,582,5
2	<b>Social Total</b>					<b>12,510,000</b>	<b>6,96</b>
	Transport	P-MZ-DB0-007	MONTEPUEZ-LICHINGA ROAD PROJECT	27-Oct-06	31-Aug-11	30,100,000.00	328,3
1	<b>Transport Total</b>					<b>30,100,000</b>	<b>32</b>
	Water Sup/Sanit	P-MZ-E00-002	INTEGRATED WATER SUPPLY AND SANITATION PROJECT	8-Dec-00	30-Sep-09	15,770,000.00	13,252,1
	Water Sup/Sanit	P-MZ-E00-002	INTEGRATED WATER SUPPLY AND SANITATION PROJECT	8-Dec-00	30-Sep-09	1,000,000.00	548,6
	Water Sup/Sanit	P-MZ-E00-003	URBAN WATER SUPPLY, SAN.& INST. SUPPORT	20-Dec-02	30-Jun-10	19,064,810.00	17,425,5
	Water Sup/Sanit	P-MZ-E00-003	URBAN WATER SUPPLY, SAN.& INST. SUPPORT	20-Dec-02	30-Jun-10	2,310,000.00	1,344,5
	Water Sup/Sanit	P-MZ-E00-006	NIASSA PROVINCIAL TOWNS WATER AND SANITATION	29-Apr-09	31-Dec-13	18,000,000.00	
3	<b>Water Total</b>					<b>56,144,810</b>	<b>32,57</b>
18	<b>Grand Total</b>					<b>317,608,148</b>	<b>167,37</b>

### Appendix III. Key related projects financed by the Bank and other development partners

#### APPENDIX III - KEY RELATED PROJECTS FINANCED BY THE BANK AND OTHER DEVELOPMENT PARTNERS

USD	Donor	Donor Project Number	Project / Programme Title	Total Commitments	Total Disbursements	Actual Start Date	Actual End Date
	NETHERLANDS	14523	MAP HAUPA	11,435,907 USD	7,346,079 USD	10/1/2006	12/31/2011
	UK	104-031-101	Mozambique Water and Sanitation Sector Budget Support FA	12,881,944 USD	61,924 USD	2/1/2007	12/1/2016
	WORLDBANK	P104566	Water Services and Institutional Support Project	15,000,000 USD	4,260,000 USD	3/17/2008	10/31/2012
	CANADA	A-033607	Inhambane Rural Water Supply and Sanitation Program	15,919,097 USD	455,866 USD	3/1/2009	3/31/2014
	SWEDEN	73000674	Pungwe Basin Transboundary Integrated Water Resources Management and Development (PP2)	15,925,000 USD	4,718,234 USD	10/18/2007	6/30/2012
	EC	d18819 - IFRC	Water Facility II - IFRC - Nampula Province Rural Water AUppl, Sanitation and Hygiene Promotion Project	2,150,956 USD	2,329,861 USD	11/1/2007	10/31/2011
	EC	d17430 - Aga Khan	Water Facility - Water Supply and Sanitation Project (WSSP - Aga Khan)	2,222,222 USD	1,649,708 USD	4/1/2006	4/1/2011
	ITALY	8420_PMU	PMU - Nhacangara Dam and Maputo Drainage and Sanitation	2,433,333 USD	555,556 USD	3/1/2007	3/31/2013
	EC	d18819 - Interaide	Water Facility II - INTERAIDE - Sustainable acces to drinking water and water sanitation and hygiene in three rural districts of Nampula	2,629,774 USD	1,500,950 USD	11/1/2007	10/31/2011
	JAPAN	605389	Sustainable Water Supply, Sanitation and Hygiene Promotion in Zambezia province	2,675,882 USD	2,675,882 USD	2/10/2007	8/9/2011
	ADB	P-MZ-E00-002	INTEGRATED WATER SUPPLY & SANITATION PROJECT	21,754,417 USD	15,388,936 USD	8/28/2003	9/30/2009
	MCC	GR07MOZ07001 - 1	Water Supply and Sanitation Project	218,682,290 USD	9,947,642 USD	9/22/2008	9/22/2013
	ADB	P-MZ-EOO-001	Niassa Prov Towns Water and Sanitation	23,350,000 USD	0 USD		
	ITALY	8420_2	Maputo Drainage and Sanitation	23,472,222 USD	0 USD	3/1/2007	3/31/2012
	NETHERLANDS	MZ00023	Maputo Water supply project	25,833,333 USD	680,556 USD	1/1/2007	12/15/2013
	ADB	P-MZ-E00-003	URBAN WATER SUPPLY, SAN. & INST. SUPPORT	27,728,125 USD	13,587,269 USD	5/17/2005	12/30/2009
	PORTUGAL	5874	Water supply project on small systems - 'Bairro de Mazaquene' (Maxaquene Quarter)	274,535 USD	190,938 USD	1/1/2006	12/31/2007



IRELAND	INHBDGT- Water & Sanitation	WATER & SANITATION- I'BANE PES SUPPORT	3,271,528 USD	3,125,956 USD	7/1/1997	12/31/2011
SWITZERLAND	7F-06640.01	Governance, Water & Sanitation Project (PROGOAS)	3,451,972 USD	2,094,303 USD	1/1/2009	12/31/2011

