



MOZAMBIQUE

Water and Sanitation Profile

POPULATION AND HEALTH STATISTICS	
Population (2006)	21 million
Proportion of population living in urban areas	35%
Urban/Rural population growth rates (1980-2000)	8.0 / 0.6%
Diarrheal deaths/year (2004)	26,900
Under age 5 mortality rate	152/1000 live births
Under age 5 mortality rate due to diarrheal disease (2000)	16.5%

SECTOR OVERVIEW

Mozambique has limited access to raw water supplies and receives roughly 50 percent of its surface water from upstream neighbors; approximately 75 percent of the population relies on groundwater sources. In addition, Mozambique is particularly vulnerable to cyclical natural disasters (e.g. floods and drought). Despite these vulnerabilities, Mozambique’s water supply and sanitation (WSS) sector has implemented policy and institutional reforms that have increased its capacity to provide urban WSS services, but rural areas lag far behind.

Reforms have improved water supply regulation, dependability, quality and the financial viability of many urban service providers; however, these have been largely dependent on outside donor funding. The issues to be addressed in the future include: the ability to mobilize funding through implementation capacity growth; instituting robust monitoring and evaluation (M&E) systems; reducing dependence on outside funding sources by increasing cost recovery strategies; and balancing urban and rural sub-sector budget allocations and expenditures.

SECTOR FRAMEWORK

The 1995 National Water Policy and the National Water Development Program (NWDP) reformed and clarified the allocation of administrative, regulatory and development roles in the WSS sector. The policy sought to balance strong regulation with delegated management (the Delegated Management Framework- DMF), which allowed transfer of operational responsibilities for water supply to private companies. Underpinning the reforms was the new Water Tariff Policy. This policy set out a more rational and commercially-oriented tariff regime that would support cost recovery and long-term financial sustainability of the water supply system.

The policy focuses on urban areas, with weak attention on rural WSS issues. Mozambique’s poverty reduction strategy is aligned with the National Water Policy, but constraints to further WSS development remain. These constraints have been primarily attributed to the misalignment of WSS sector funding, no clear rural strategy, and capacity issues within the National Directorate for Water Affairs (DNA).

DNA has responsibility for the entire water sector. It manages most potable water sector schemes in the rural areas, as well as in smaller towns and cities, DNA’s ability to fulfill this role is limited and donors have had to step into the rural sector – often in an

WATER AVAILABILITY IN MOZAMBIQUE	
Renewable water resources per capita, m ³ /person/year (1960-2007)	10,531
Water withdrawals, m ³ /person/year (2000)	35
Projected water resources per capita, m ³ /person/year in 2015	8,512
Note: 2015 projected water resources per capita is a straight-line regression calculation based on population growth rates with no adjustment for consumption or technology changes	

KEY AGENCIES

Agency	Description	Contact Information
Ministry of Public Works and Housing (MOPH)	<ul style="list-style-type: none"> Overarching ministry for water sector issues. 	Felício Zacarias Tel: 258-21-430028
National Directorate of Water (DNA)	<ul style="list-style-type: none"> Policy and strategy development Overall responsibility for WSS sector 	Rui Gonzales
Water Regulatory Council (CRA)	<ul style="list-style-type: none"> Economic and other regulation of water systems 	Sr. Manuel Alvarinho
Investment and Assets Fund for Water Supply (FIPAG)	<ul style="list-style-type: none"> Own infrastructure in some urban areas and leases out the management to private operators 	Pedro Paulino

uncoordinated fashion with insufficient follow up and maintenance.

In the urban areas, delegated management was adopted in 1999 for the large systems covering the five main cities supported under the NWDP. As part of this reform program, two new institutions were developed: Fundo de Investimento e Patrimônio do Abastecimento de Água (FIPAG) and Conselho de Regulação do Abastecimento de Águas (CRA).

FIPAG is a public entity which acts as asset holder and investment manager in the sector. FIPAG leases out operations and management to private operators for defined time periods. FIPAG has the responsibility for investment and financial management related to rehabilitation and expansion of water supply assets, achievement of efficiency in the sector, and the monitoring and enforcement of contracts in the sector.

CRA is an independent regulatory agency responsible for balancing the interests of consumers with commercial principles to ensure a viable and sustainable sector under the delegated management framework. CRA regulates the tariff regime and sets tariffs annually to ensure a balance of commercial viability and consumer affordability. CRA reports directly to the Council of Ministers.

To move the sector forward, the DNA, FIPAG and CRA will need to strike a balance between government subsidies for water services, cost-

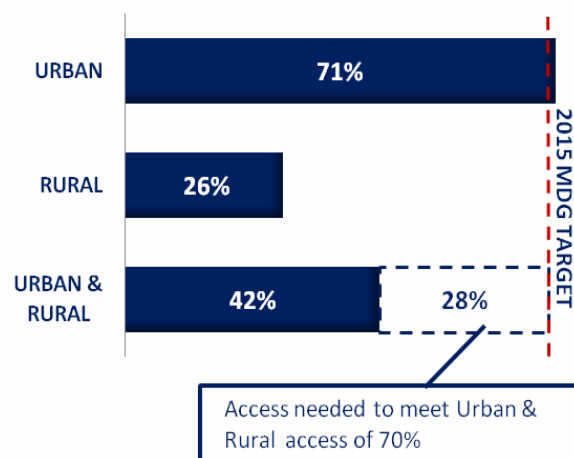
recovery, affordability, quality, and extension of service. Overall, the sector framework is rational and provides solid underpinnings for further development of the sector's financial and managerial capacity.

THE URBAN SUB-SECTOR

The major urban areas have received substantially more attention from both the government and donors in terms of both capacity building and financial support. The success of the urban sector and FIPAG and CRA as effective institutions has meant that the sub-sector is attracting increasing investment and improving both reliability and sustainability of service. When it was established in 1998, FIPAG was responsible for the five largest cities. By 2007, FIPAG was responsible for 14 cities and towns. FIPAG now manages an investment portfolio of over US\$350 million. FIPAG contracted a private operator, Aguas de Moçambique (a local operator 70% owned by Aguas de Portugal), for the 4-year management contract for the water systems in Beira, Nampula, Pemba and Quelimane. The same operator also won a 15 year lease contract for the water system of Maputo.

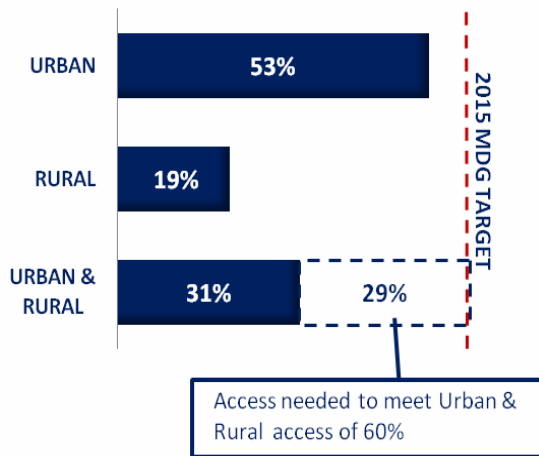
In many other areas, FIPAG is establishing autonomous water companies in partnership with Vitens (a Dutch operator) under loans from the AfDB and Dutch trust funds. Unfortunately, the coverage ratio has been declining over the past decade. Heavy immigration is primarily responsible for the declining ratio, but other constraints include non-revenue water averaging 50 percent in urban areas due to poor

Meeting MDG 7: Access to Water in 2006



Data Source: UN MDG Indicator Database

Meeting MDG 7: Access to Sanitation in 2006



Data Source: UN MDG Indicator Database

metering, physical losses in the distribution system, and illegal connections. In addition, human resource management has not received the attention needed to increase urban WSS service capacity. Urban service providers will need to concentrate on instituting strategic corporate staffing and retention policies in order to help improve operations and maintenance.

THE RURAL SUB-SECTOR

The rural areas are served mainly through small piped village systems and point source (boreholes with hand pumps). A demand driven community managed model was developed in the early 2000s and piloted successfully in a number of communities but hasn't been rolled out in a significant way yet.

The World Bank estimates that up to 35 percent of rural systems are not working at any one time due to a limited capacity within DNA that leads to underspending, poor procurement practices, and weak financial management. The government and donors have responded with a recent agreement to put a sector-wide approach program (SWAP) in place for the rural areas. The SWAP harmonizes sector planning and monitoring, and provides for more effective aid.

Still to be addressed are the requirements of smaller cities and towns. There are over 33 municipalities in Mozambique and the urban growth rate averages four

percent. The needs in these areas will create an additional pressure on the sector institutions.

DONOR INVOLVEMENT

Sustainability remains the biggest weakness in Mozambique's donor-financed water and sanitation sector interventions. A recent study for the Japan International Cooperation Agency (JICA) suggests that many projects constructed as recently as two years ago are already broken; only 21 percent of JICA-financed water points in Mokuba are considered to be operating as designed, with similar results in Ile (20 percent), Alto-Molocue (32 percent), and Gurue (17 percent). In addition, the accumulation of accounts payable by the government ministries coordinating donor involvement has noticeably delayed the realization of some projects. Overall, M&E systems need significant improvements so that transparency, project timelines, and cost effectiveness are better tracked. Some donors have symbolically cut aid in recent months due to corruption in the government.

Government and donors created a water and sanitation working group to harmonize donor initiatives and government implementation of WSS projects. The Grupo de Água e Saneamento (GAS) is a technical subgroup to a larger donor coordination body that serves as a forum for government and major sector donors to discuss and evaluate sector progress. GAS includes representatives from DNA, major sector donors such as the Swiss Development Corporation, the Canadian International Development Agency, JICA, the Water and Sanitation Program of the World Bank, and the United Nations Children's Fund. It also includes representatives of international NGOs (CARE, Helvetas, and WaterAid) as well as major private sector firms like Cowater working in Inhambane.

DONOR	ACTIVITIES	CONTACT INFORMATION
The World Bank	<ul style="list-style-type: none"> ▪ Urban, peri-urban and small town water supply infrastructure development ▪ Institutional reform and management capacity building ▪ Private sector participation 	Jane Walker (Washington DC) Nwalker @worldbank.org Tel: 202-458-2703
Water and Sanitation Program	<ul style="list-style-type: none"> ▪ Village and point source facilities development ▪ Sustainability and demand-led reforms ▪ Community management support 	Joseph Narkevic jnarkevic@worldbank.org Tel: 258-82-441-2130 Valentina Zuin vzuin@worldbank.org Tel: 258-82-536-5205
The African Development Bank (AfDB)	<ul style="list-style-type: none"> ▪ Urban and rural water supply infrastructure development ▪ Management capacity building 	Alice HAMER MZFO@afdb.org Tel: 258-21326409
Denmark/DANIDA	<ul style="list-style-type: none"> ▪ Watershed protection and other water resource management support 	
JICA	<ul style="list-style-type: none"> ▪ Rural water resources development ▪ Supporting human resource capacity building in service providers management 	Takashi Ito Tel: 258-21-486357
Millennium Challenge Corporation (MCC)	<ul style="list-style-type: none"> ▪ Urban and rural water and sanitation infrastructure development ▪ Institutional capacity building at national and local levels ▪ Policy reforms 	Emilio Muchanga emuchanga@yahoo.com.br Tel: 258-82-315-2330
UNICEF	<ul style="list-style-type: none"> ▪ Water, sanitation, and hygiene (WASH) ▪ Policy reform, decentralization and advocacy of access by children to safe drinking water and sanitation 	maputo@unicef.org Tel: 258-21-481-100
Irish Aid	<ul style="list-style-type: none"> ▪ General budget support with 65% going to priority poverty areas ▪ Rural water supply development at provincial level 	maputoembassy@dfa.ie Tel: 2581 491 440

Additional information and sources: Statistics were compiled from the WHOSIS database, WRI-Earthtrends Water Resources and Freshwater Ecosystems database, and the UN MDG Indicators database. Other sources include the 2006 African Development Bank's "Getting Africa on Track to Meet the MDGs in Water Supply and Sanitation," 2007 OECD-Mozambique Annual Economic Outlook Report, World Bank Water Services and Institutional Support Project Appraisal Document (2007).

This Water and Sanitation Profile was prepared under the **Advancing the Blue Revolution Initiative (ABRI)**. ABRI is funded by the U.S. Agency for International Development and addresses some of the most challenging water issues in the Middle East and Africa including the lack of access by the poor to improved water and sanitation services, inefficient and nonproductive water use, and transboundary river basin management. ABRI works closely with host country governments, actively pursues co-investments from the private sector, reaches out to like-minded foundations, and partners with regional institutions.