

Maputo Municipal Development

Water and Sanitation – Experience, Success and Challenges

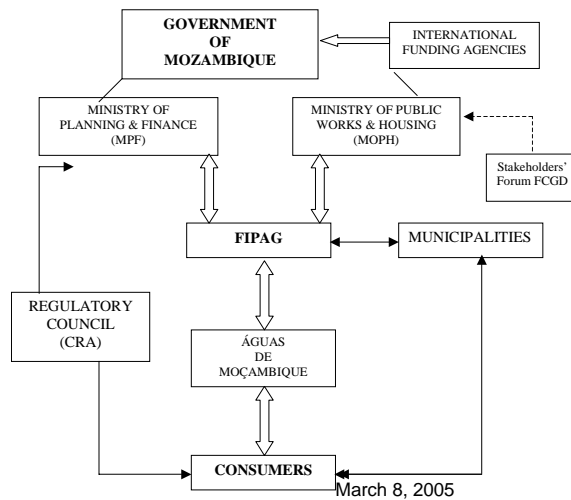
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The Water Reform

- National Water Policy (NWP) – 1995
 - Set up principle of delegated management for major urban WS systems
- FIPAG (Fundo de Investimento e Patrimonio de Agua) – Asset Holding Company - 1998
- CRA (Conselho de Regulacao do Abastecimento de Agua) Regulatory Council - 1998
- FCGD (Forum Coordenador da Gestao Delegada) Stakeholders' Forum - 1998

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Institutional Framework for Delegated Management



Delegated Management and Municipalities

- Original scheme 5 municipal areas (more than one municipality); now 9 cities covered – Maputo lease contract serves Maputo, Boane, and Matola
- Municipalities participate in the Stakeholders forum; setting priorities for investments
- Future: devolution of water schemes to municipalities so FIPAG can sign performance agreements with Municipalities rather than Central Government

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Maputo under Delegated Management

- Lease Contract with Aguas de Mocambique (AdeM) the private operator – 1999 - 2012
- Support under NWDP I and II –institutional, regulatory, goods and works – IDA \$ 15m; Fad \$ 20m; AfDB \$3m – Maputo only
- Total IDA lending to sector \$ 126m
- Proposed Maputo Water Supply Project- \$100 – EIB, FMO(Dutch) and AFD

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Maputo results:

Item	2000	2004
Connections	70,000	90,000
Functioning Standpipes	264	438
Treated Water	49 M cm	64 M cm
Aver. Hours of Supply	9 hrs/day	14 hrs/day
Collection Ratio	61%	73%

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Challenges and Rewards

- Delegated management model with private sector –new and untried in 1999 – landmark deal in East and Southern Africa
- Difficult initial 3 years with limited results
- Improved performance in selected areas and ramping up; billing and collection (commercial) still problematic
- Covering operating costs and some debt service; PSP model able to attract financing.

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Maputo Lease Area –Projections with EIB/EU Credit

	2004	2005	2010	2014
Pop. Served (000)	653	763	1283	2299
% Served	38	43	63	75
Poor Served	419	471	703	1053
Connections	90,000	100,000	147,000	170,000
Production (MCM)	64	64	70.5	85.5
Water Sales (MCM)	24.5	28.4	51.5	64.1
% NRW	57	50	27	25

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Sanitation – in conjunction with Municipalities

- **Strategic Sanitation Plan** (2004) developed to cover all major municipal areas
- Maputo and Matola plan supported by FMO (with EIB water project)
- Sanitation component of AfDB credit includes latrines, sewer treatment rehab., storm water drains, etc. in Maputo (Mahotas, Laulane, Hulene, Costa do Sol neighborhoods)

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