

Mozambique / US\$ 27 Million Loan for Water Supply and Sanitation Project



**AFRICAN DEVELOPMENT
BANK GROUP**

MAPUTO, Mozambique, April 30, 2009/African Press

Organization (APO)/ —

Mozambique has secured a loan of US\$ 27 million (18 million

Units of Account (UA*), from the

African Development Fund, the concessionary window of the African Development Bank (AfDB) Group, to finance a water supply and sanitation project in the country's northern Niassa Province.

The Niassa Provincial Towns Water and Sanitation Project approved by the AfDB Board on Wednesday in Tunis, is designed to improve access, quality, availability and sustainability of water supply and sanitation services in the province's Cuamba and Lichinga towns.

The project, to be implemented over a four-year period, includes institutional development support, water supply scheme rehabilitation and extension, sanitation program and project management and audit.

Based on the Mozambican government's well 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), from 2006-2009, the project will also focus on governance, human capital, and economic development.

The Project will contribute significantly to human development, by boosting the number of people in the two towns with access to safe drinking water and sanitation, and in turn contribute to the achievement of Mozambique's Millennium Development Goals (MDGs) on water, health and poverty eradication, which are central to the country's Poverty Reduction Strategy.

The AfDB's involvement in Mozambique's water supply and sanitation sector is built on its extensive experience in the country and in the region. The Bank has since 1981, supported the water and sanitation sector with four investments projects totaling UA 67.80 million. The Bank is also active in the urban water supply sub-sector.

The project is designed to be a capital investment and institutional support for on-going sector reforms to help with efforts at reaching the MDGs. The AfDB financed the feasibility study on the project which also targeted the rural areas of Niassa and Nampula provinces. The African Water Facility is also supporting the development of a national rural Water Supply and sanitation Program.

Residents of Cuamba and Lichinga towns numbering over 220,000 will be the direct beneficiaries of the project, which is designed to improve public health, curtail water borne diseases, and ensure environmental sustainability.

The project is estimated to cost UA 20 million, about US\$ 29.9 million. The ADF loan will cover 90% of the required funding. The Mozambican government will provide UA 2 million, about US\$ 3 million, which represent 10% of the total cost.

SOURCE

African Development Bank (AfDB)