

UNICEF Mozambique

PROPOSAL TO AusAID



NAMWASH- Water Supply, Sanitation and Hygiene in Nampula Province, Mozambique

NOVEMBER 2011

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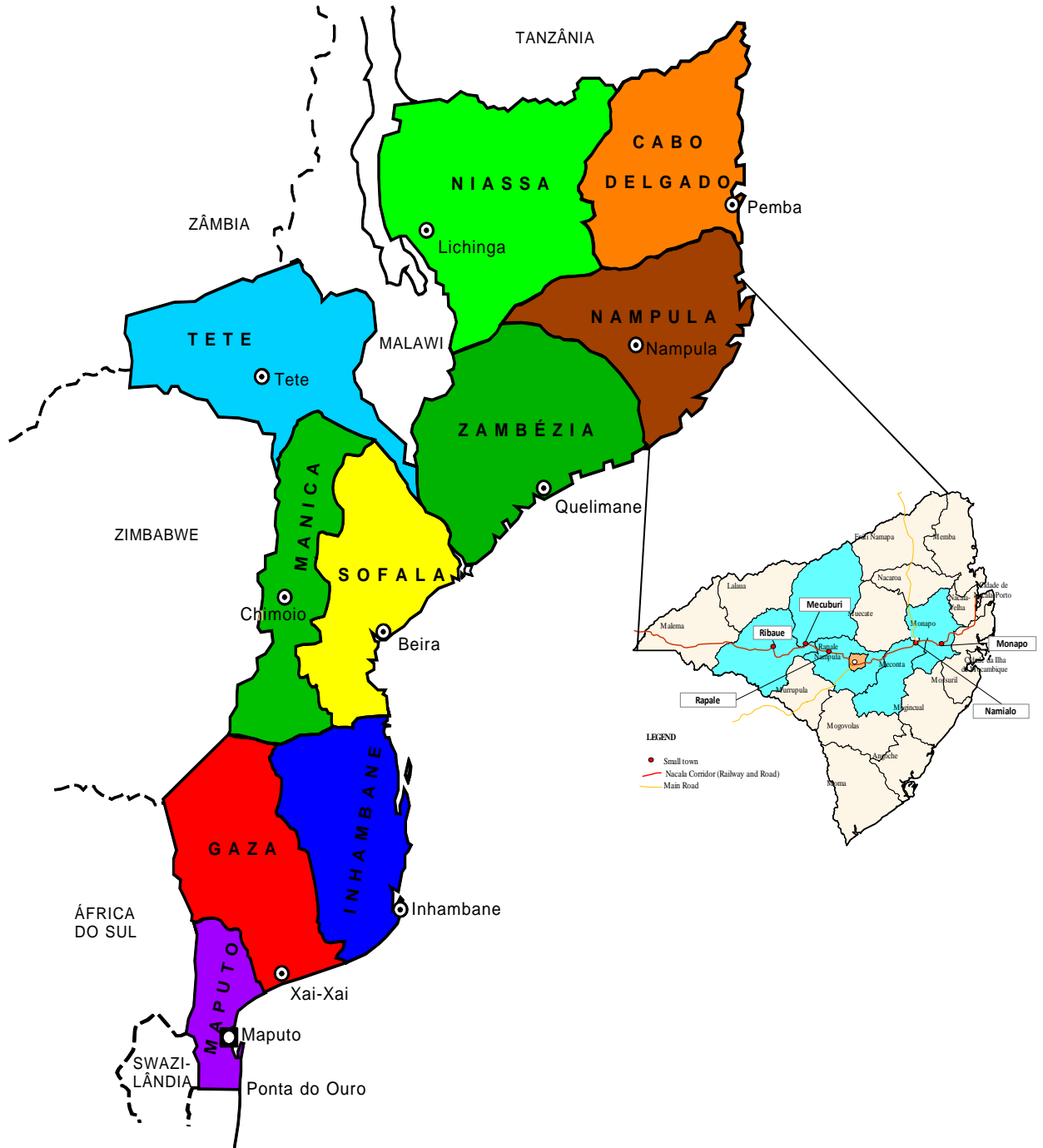
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ABBREVIATIONS/ACRONYMS

ADB	African Development Bank	M & E	Monitoring & Evaluation
AIAS	Administration for Water Supply and Sanitation Infrastructure	MHM	Menstrual Hygiene Management
AMCOW	African Ministers' Council on Water	MICS	Multiple Indicator Cluster Survey
AusAID	Australia Agency for International Development	MISAU	Ministry of Health
BOT	Build Operate and Transfer	NAMWASH	Nampula Water Sanitation & Hygiene
CATS	Community Approach to Total Sanitation	NGO	Non-Governmental Organisation
CBOs	Community Based Organization	NWP	National Water Policy
CIDA	Canadian International Development Agency	ODF	Open Defecation Free
CLTS	Community Led to Total Sanitation	OMI	One Million Initiative
CoC	Code of Conduct	PARP	Poverty Reduction Action Plan
CPAS	Provincial Water and Sanitation Council	PEC ZONAL	Community Participation & Education at zonal level
CRA	Water Regulatory Council	PHAST	Participatory Hygiene and Sanitation Transformation
CSO	Country Status Overview	PRONAS AR	National Rural Water Supply and Sanitation Programme
DMF	Delegated Management Framework	PWSS	Piped Water Supply System
DNA	National Directorate of Water	RBME	Results-Based Monitoring & Evaluation
DPOPH	Provincial Directorate of Public Works and Housing	SBS	Sector Budget Support
EU	European Union	SPWSS	Small Piped Water Supply and Sanitation
FIPAG	Water Supply Investment and Asset Fund	TSSM	Total Sanitation and Sanitation Marketing
GoM	Government of Mozambique	U5	Under Five
IDB	Islamic Development Bank	UNDAF	United Nations Development Assistance Framework
IRC	International Water and Sanitation Centre	UNICEF	United Nations Children's Fund
MCC	Millennium Challenge Corporation	WASH	Water Sanitation & Hygiene
MDG	Millennium Development Goal	WSP	Water Sanitation Programme/World Bank

PROGRAMME LOCATION

Figure 1: Programme Location



PROGRAMME TITLE AND AGENCY DETAILS

Programme Name:	NAMWASH- Water Supply, Sanitation and Hygiene in Nampula Province, Mozambique
Country/Region/Province/Specific Location:	Mozambique, Nampula Province
Delivery Organisation(s) in Recipient Country:	UNICEF Mozambique
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PROGRAMME SUMMARY

Name	NAMWASH- Water Supply, Sanitation and Hygiene in Nampula Province, Mozambique
Contracting party	UNICEF Maputo, Mozambique
Output	<ol style="list-style-type: none"> 1. 150,000 people in five small towns in Nampula Province to achieve the MDG7c for safe drinking water; 2. 50,000 people in five small towns in Nampula to achieve the Millennium Development Goal (MDG) 7c for safe sanitation; 3. 50,000 new practitioners adopt appropriate hygiene practices and improved water safety management (including hand washing at critical times); 4. 20,000 school children, from primary schools, with improved water, sanitation and hygiene; 5. Support the Provincial Delegation of Administration for Water Supply and Sanitation Infrastructure (AIAS) for Nampula province and strengthening of technical and management capacity for planning, co-ordination and supervision including contracts management of water & sanitation interventions in small towns; 6. Model for leveraging investment for expansion of AIAS in other provinces; 7. Production of Sanitation Master Plan for 5 Small Towns.
Programme Description	<p>This integrated Water, Sanitation and Hygiene (WASH) programme is designed within the context of the Government of Mozambique and UNICEF Country Programme of Co-operation (2012-2015), which supports the achievement of government priorities and targets as outlined in the National Plan for Poverty Reduction (PARP 2011-2014), and contributes to the achievement of the Millennium Development Goals.</p>
Implementation strategy	<p>The programme will be implemented in two phases:</p> <p>Phase 1: 24 months (USD 5 million contribution from AusAID) to achieve the following results that are aligned with AusAid Performance Assessment Framework (PAF) for WASH:</p> <ol style="list-style-type: none"> 1. PAF I-1: 12,000 people with safe drinking water in one small town; 2. PAF I-2: 10,000 people with safe sanitation in two small towns I-2); 3. PAF I-3: 10,000 people with improved hygiene practices in two small towns; 4. PAF I-4: 20,000 schoolchildren with access to safe sanitation); 5. PAF I-4: 7,000 schoolchildren with access to safe drinking water; 6. PAF I-5 & 6: Baseline completed in five small towns; 7. Human resources established and institutional capacity strengthened; 8. Completed sanitation Master Plan in two small towns.

The monitoring framework (see chapter 3) is aligned with AusAID key result

areas for consistent measurement across AusAID WASH activities (indicated with PAF coding above).

Phase 2: 36 months (USD 18 million contribution from AusAID) to achieve:

1. PAF I-1: 138,000 people with safe drinking water four small towns;
2. PAF I-2: 40,000 people with safe sanitation in three small towns;
3. PAF I-3: 40,000 people with improved hygiene practices in three small towns;
4. PAF I-4: 13,000 schoolchildren with access to safe drinking water;
5. PAF I-7: Ratio \$AusAID budget allocation to water supply: sanitation: hygiene;
6. Completed studies and sanitation Master Plans;
7. AIAS system strengthened at Provincial level;
8. High Sustainability Rating for Private Operators;
9. Greater Government and Donor financial contribution to small towns sector.

The detailed budget and planned activities for both phases are presented in the annexes 1 and 2 respectively.

The programme will be implemented within the framework of the Government of Mozambique - UNICEF Programme of Cooperation (2012-2015) which is a partnership for improving the wellbeing of children and women through decentralised programme delivery, leveraging evidence and catalysing action to reduce disparities and accelerate the equitable achievement of the MDGs. The GoM-UNICEF partnership focus (in addition to gender, HIV/AIDS, environmental sustainability and the impact of climate change) on equity and rights fulfilment for the most marginalized and vulnerable children, with a cross-cutting focus on capacity development of duty bearers to create and sustain change.

The programme is in line with AusAID's current support to WASH sector in Mozambique through the "Water Services and Institutional Support – WASIS" project by focusing on the water and sanitation provisions in small towns. In this regard, the programme will complement WASIS and other partners' efforts (such as MCC, MCA, WSP) in improving water supply and sanitation in small towns at both service delivery and institutional capacity development.

The programme implementation strategies are fully aligned with the national water policy and related strategies for small town including school sanitation which places priority on meeting the basic needs of the disadvantaged, on decentralized management and on the participation of users; services are to be provided by the private sector in response to the users demand, while the government undertakes a facilitating and regulatory role. The programme implementation approaches will include the human rights based approach to programming, gender responsive methods as well as integrated approaches

involving water, sanitation and hygiene in order to maximise health impacts.

Relation to national policies

The programme is consistent with the visions and strategies in the water and sanitation sector and supports the Government of Mozambique's efforts to attain its water and sanitation related goals articulated in the National Water Policy (NWP), Mozambique's Poverty Reduction Action Plan and the Millennium Development Goals. Country efforts aim at achieving 70 per cent coverage by 2015 for both urban and rural, corresponding to six million and 11 million people respectively with access to safe drinking water. With regards to sanitation, the targets are to achieve 67 per cent coverage for urban and 60 per cent for rural which corresponds to eight million and seven million people respectively with safe sanitation in urban and rural areas.

The revised Regulation for Decentralised Management of Piped Water Supplies led to the creation of the Administration for Water Supply and Sanitation Infrastructure and is geared towards decentralised management along with greater involvement and participation of WASH stakeholders (users, NGOs/CBOs and the private sector). The revised regulation also clearly defines the respective roles and responsibilities of the WASH stakeholders with the Government assuming facilitation, coordination, policy and strategy development roles, while service delivery are carried out by the private sector.

Conformity with AusAID policy priorities

The AusAID Water and Sanitation Initiative (ACWSID) strategy (2008)¹ has four objectives:

Objective 1: Expand access to water supply and sanitation services, particularly for the poor, women and for children in schools – this proposal will expand, in small towns, access to water supply for 150,000 new users of safe water supply; 50,000 new users of safe sanitation and appropriate hygiene behaviour; and for 20,000 schoolchildren for improved water, sanitation and hygiene in primary schools.

Objective 2: Make water and sanitation services more sustainable – this proposal will place strong emphasis on institutional sustainability through support to the Provincial Delegation of AIAS, the reinforcement of the Provincial Directorate of Public Works Department (DPOPH), institution that oversees water supply and sanitation developments in Nampula province.

Objective 3: Improve the health and quality of life of the poor and vulnerable – this proposal will, based on experiences in the African Region, adapt for the small town environment the best practices in Total Sanitation and Sanitation Marketing (TSSM). The PHAST methodology will be further adapted through NGOs working in the Government of Mozambique PEC ZONAL approach to

¹ AUSAID (2008) WATER AND SANITATION INITIATIVE Water, Sanitation and Hygiene Strategy for the Australian International Development Assistance Program, *unpublished report*

ensure improved hand washing practices.

Objective 4: Enhance aid effectiveness and complement other development agencies' programs – the effectiveness of this proposed intervention will be quantitatively evaluated using a panel study design baseline/midline/endline monitoring and evaluation instrument already tested in the *One Million Initiative*. Effectiveness of the aid investment will be measured based on both physical improvement in access and use of infrastructure as well as in the health, social, education and economic impacts.

Budget

Total programme budget: USD 30 million over five years and is divided between the following contributions:

- AusAID = USD 23 million
- UNICEF = USD 3 million
- GoM = USD 3 million
- Communities = 1 million

Programme location

Mozambique, Nampula Province – 5 small towns (Rapale, Monapo, Mecuburi, Ribaue and Namialo) for physical WES infrastructures and Provincial Delegation of AIAS for capacity building including the identification, training and monitoring of private piped water supply operators. These locations were selected in consultation with the Government of Mozambique based on WASH needs, location in the coal corridor expansion zone and as geographical areas with limited financing.

Time frame

5 years, with implementation effective from January 2012 to December 2016.

Risks

Mozambique is vulnerable to frequent natural disasters including floods, droughts and cyclones, which may pose risks to project implementation as efforts might be diverted to more pressing emergency response in case needed. Furthermore the lack of skilled staff at provincial level could delay the establishment of AIAS at provincial level and slowdown the programme implementation. The difficulties in recruiting Operators for the SPS with adequate management skills as well as unclear definition of water tariffs could impact on the sustainability of the SPS. Potential corruption in water sector could also increase the costs of water services and impact on the consumers' satisfaction.

Nevertheless, the institutional framework established for small piped systems particularly the establishment of Water Regulatory Council (CRA) and expansion of its mandate, forms a solid basis for mitigation of part of the risks identified above. Additionally, the Government has a strong procurement system that is well acknowledged by all development partners. UNICEF/WASH supported interventions are implemented applying this Government procurement and contract management system. Meanwhile, the National Directorate of Water Affairs (DNA), with support from the International Water and Sanitation Centre (IRC) is developing the national anti-corruption strategy for the water and sanitation sector.

The programme will closely monitor trends, throughout the implementation period, to ensure that risks are minimized and mitigation actions are timely taken.

1. NEEDS ANALYSIS AND PROGRAMME DESIGN

1.1 Brief Background to Situation

The 2010 UN Summit and the Government of Mozambique (GoM) 2010 Report on the *Millennium Development Goals* reported on 21 targets of the 8 MDG goals. Findings indicate that Mozambique will *probably* reach four of the targets, will *potentially* reach nine targets and is *unlikely* to reach eight targets due to insufficient performance or limited data.² The water supply target is noted as *potentially achievable*. The MDG7c targets are to halve the proportion of unserved people in 1990 by 2015. This equates, for Mozambique, to 68 per cent for water supply (63 per cent rural; 87 per cent urban) and 56 per cent for sanitation (52 per cent rural; 68 per cent urban) based on the projections from household survey data.

According to the 2008 Multiple Indicator Cluster Survey (2008 MICS) Mozambique has made good progress in accelerating use of safe water from 36 per cent in 2004 (QUIBB)³ to 43 per cent in 2008. However, less progress has been made in sanitation (12 per cent in 2004 (QUIBB) to 19 per cent in 2008). Recent initiatives undertaken within the water and sanitation have progressively established an enabling environment. These initiatives include: (i) development and review of sector policies and strategic plans; (ii) review and operationalisation of a legal and management framework for urban water supply and sanitation; (iii) establishment of sector coordination and joint planning and review mechanisms; (iv) development of a harmonised monitoring and Information Management System; (v) establishment of a legal framework for participation of private sector implementing partners; (vi) implementation of a decentralization process; and (vii) establishment of Sector Wide-Approach and Common Fund for rural water supply and sanitation.

On this basis, the GoM has prioritised water and sanitation within the Government five-year plan (2010-2014) and its operationalization plan - the harmonised Plan for the Reduction of Poverty 2011-2014) - and the United Nations Development Assistance Framework (UNDAF 2012-2015).

The Five Year Plan objectives are proposed to be achieved through the following institutional Framework outlined below:

² Government of Mozambique Report on the Millennium Development Goals 2010

³ QUIBB Survey (Questionários sobre os Indicadores Básicos de Bem Estar)

1.2 National Institutional Framework for water supply and sanitation

1.2.1 Urban Water and Sanitation

In 1998 under the Decree 72/98, the Government of Mozambique introduced the Delegated Management Framework (DMF) for urban water supply services, a public-private partnership set up, whereby assets are owned by the government and operations are managed by the private sector under a concession, lease or management contract. The **Water Supply Investment and Assets Fund (FIPAG: *Fundo de Investimento e Património do Abastecimento de Água*)** was then established under this framework as an asset holding company in the urban water sector through which the operation of water services was delegated to private lessees. The DMF centralizes responsibility for asset management and the award of contracts for operations; it foresees the eventual decentralization of these responsibilities to municipalities.

Furthermore and based on the recommendation from the revised National Water Policy (2007), the GoM through the Decree Law 18/09 expands the scope of DMF to include piped water supply systems not covered by the Decree Law 72/98 and to integrate drainage and sanitation. The piped water supply systems included are those urban and rural water supply systems which supply urban or rural centers. In this regard and under the Decree Law (19/09), the **Water and Sanitation Infrastructure Administration (AIAS) - *Administração de Infra-Estruturas de Abastecimento de Água e Saneamento***, was established with primary responsibilities for overall management of public and piped water supply systems and drainage and sanitation systems, promoting an autonomy, operational and efficient management by involving private operators or other entities. In order to operationalize AIAS' responsibilities at decentralized level, the Ministry of Public Works and Housing (MOPH) has approved the establishment of **Provincial Delegation of AIAS**.

Under the Delegated Management Framework (DMF), the **Water Regulatory Council (CRA - *Conselho de Regulação do Abastecimento de Água*)** was created in 1998 by a Decree of Ministers' Council 74/98 and was given the responsibility to regulate the water supply service, in order to ensure a balance between the quality of the service, the interests of consumers and the financial sustainability of the water supply systems. The Decree Law (18/09) further expands the mandate of CRA to regulate all public piped water supply and sanitation systems.

In order to ensure the involvement of local authorities at decentralized levels, both Decree Laws 18/09 and 19/09 establish the Provincial Councils for Water and Sanitation (CPAS) as a consultative body, subordinate to the Provincial Government.

1.2.2 Rural Water Supply and Sanitation

To achieve the rural water goals the GoM established the National Rural Water Supply and Sanitation Programme (PRONASAR) with a strong focus on both the The Rome Agreement and the Paris Declaration Principles. A Code of Conduct (CoC) was signed by eight partners and then a Memorandum of Understanding (MoU) for PRONASAR was signed by five key sector donors. The PRONASAR is designed to ensure that an additional 7.4 million rural inhabitants receive improved water and sanitation facilities through the construction of 17,000 new water points and 151 rural piped water supply systems, while increasing sanitation through the promotion for self-construction of 500,000 household latrines. The programme includes both Common Fund investments as well as bilateral programmes such as the Government of Netherlands/UNICEF/Government of Mozambique funded *One Million Initiative (OMI)*.

1.3 Sector Challenges

1.3.1 Investment Challenges

Despite the clear advances and strong policy and legislative framework existing in the Mozambican water and sanitation sector, external factors (including the impact of the global financial crisis) have resulted in a lack of financial investment. The African Ministers' Council on Water (AMCOW) *Country Status Overview (CSO)* 2010 report for Mozambique acknowledged the robust enabling policy and legislative environment but stated that both Capital Investment (CAPEX) and Operation and Maintenance (OPEX) investment for the sector remain below the forecasted required annual with a clear deficit of investment in peri urban areas and small towns. The AMCOW CSO2 report indicates that a total of US\$270 million (CAPEX investment at US\$220 million and OPEX at US\$50 million) is required to reach MDG7c. The report further states that although there is a minor shortfall between required and existing investment in urban and rural water supply, there is a **significant shortfall in investment in urban sanitation** of approximately of 50 per cent of the required investment per year until 2015 to reach the MDG targets.

Findings from the 2010 sector Annual Joint Review meeting (held in March 2011) indicate that while progress has been made in setting up an enabling environment (sector institutional framework and related implementation guidelines and approaches) the capacity to implement interventions at the required scale and with the required quality is not always present at sub-national levels. This leads to **limited absorption capacity** both at national and decentralised levels to effectively utilize the funds made available whilst at the same time harmonising approaches among all implementing partners in the field and effectively coordinating all interventions. The sector joint review indicated that the total sector expenditure for 2010 was USD 82 million with the highest deficit in funding in the sanitation subsector at an annual deficit of USD 55 million. In the urban water sector, FIPAG has demonstrated absorption capacity with an annual budget of USD 60 million. FIPAG received the largest investment with a five-year grant for Euro 95 million dedicated to the Maputo water supply system extension. In the rural water supply and sanitation sector, the Government of the Netherlands - UNICEF-Government of Mozambique *One Million Initiative* demonstrated the highest absorption capacity in the country with an annual utilisation budget of USD 15 million (see annex 8). Both the One Million Initiative and FIPAG service delivery mechanisms are well established and can be capitalised on to ensure rapid results through further sector investment.

The Government of Mozambique investment planned for 2011 to the water and sanitation sector is a total of three per cent of the state budget. This can be compared to the health and education sectors which received seven per cent and 18 per cent respectively of the state budget.⁴

⁴ FDC/UNICEF (2011) Budget Brief – Infrastructure Sector, No. 5, *unpublished report*

1.3.2 Institutional Challenges

Mozambique still faces several challenges in the management of the secondary systems (water and wastewater) through the promotion of autonomous private operators. To date, there has been minimal progress in the decentralization of AIAS to the provincial level. Between 2009 and 2011, not a single province in Mozambique has managed to establish the Provincial Delegation of AIAS. Consequently, the sanitation component of the AIAS delegated management framework remains without any significant funding or any technical support. Furthermore, PRONASAR is in a startup phase and requires significant technical support to ensure that results for rural water and sanitation are achieved by 2015.

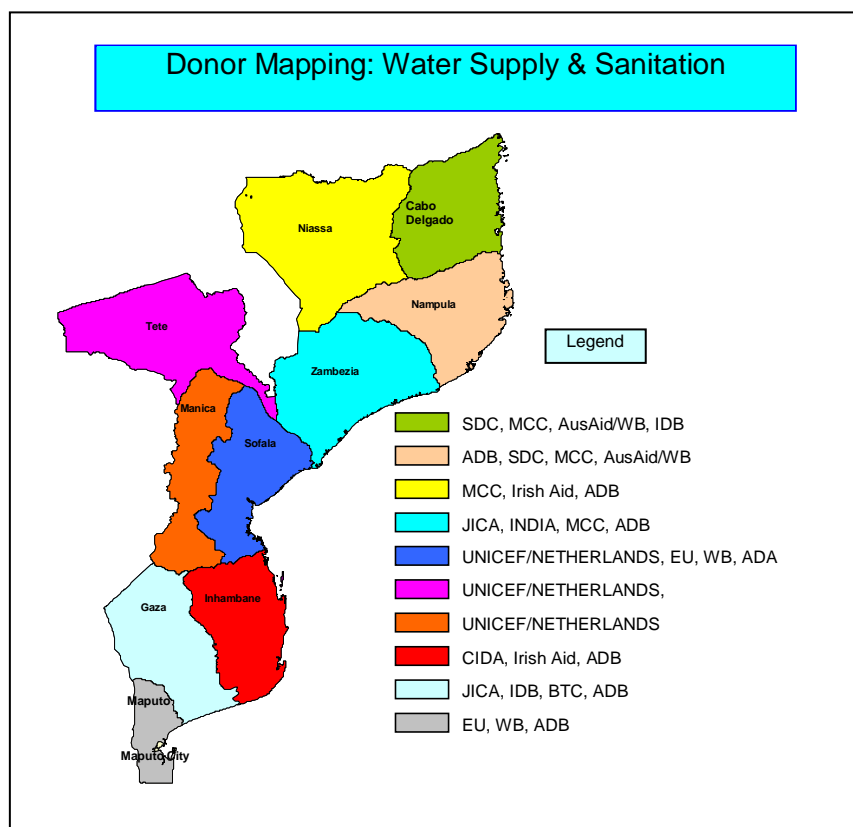
2. DEVELOPMENT NEEDS/ISSUES

2.1 Key programme Data

2.1.1 Investment Data

The map details the donor investment in water supply and sanitation in Mozambique.

Figure 2: Donor Mapping - Water Supply and Sanitation



Investment is made through both Sector Budget Support (SBS) (FIPAG/AIAS), Common Fund mechanism (PRONASAR) and also through direct programme support (One Million Initiative / MCC etc.). The mapping of donor investment undertaken by the G-19 indicates that there is still a significant deficit in investment in the Central and Northern Provinces. In a recent aid review undertaken by UNICEF (2011), it was noted that out of 10 major donors interviewed, the majority are increasing funding in programme based activities in order to be able to show measurable and tangible results.⁵

⁵ UNICEF (2011) Trends in Aid Modalities in Mozambique – Adler, N, Olah, E. *unpublished report*

2.2.2 Water Supply and Sanitation Coverage Data

Table 1 below uses the National Institute of Statistics extrapolation of the 2007 Census population figures to calculate the population per province. Furthermore, it notes the number of population of each province that remains unserved with safe water and sanitation facilities.

The table indicates that the southern provinces of **Maputo, Gaza and Inhambane** have the highest access to water and sanitation. Amongst the central and northern provinces, the MICS (2008) data notes that the lowest water supply access and use are in **Nampula, Zambezia, Sofala and Tete** Provinces.

Sanitation data further indicates that **Tete, Zambezia and Cabo Delgado** have the lowest levels of use of safe sanitation.

Table 1: Water Supply and Sanitation Access and Use Data

	Population (projection)	% of population who use improved water source	improved water sources (nr of unserved people)	% of population who use improved sanitation facility	improved sanitation (nr of unserved people)
Province	2011	2008	2011	2008	2011
Niassa	1415157	44.1	0.8m	15.4	1.2m
Cabo Delgado	1,764,194	29.9	1.2m	5.6	1.7m
Nampula	4,529,803	43.1	2.5m	15.2	3.8m
Zambezia	4,327,163	23.6	3.3m	7.6	4m
Tete	2,137,700	34.2	1.4m	3.4	2m
Manica	1,672,038	32	1.1m	14.2	1.4m
Sofala	1,857,611	23	1.4m	22	1.5m
Inhambane	1,402,245	34.9	0.9m	15.5	1.2m
Gaza	1,320,970	60.7	0.5m	23.8	1m
Maputo prov	1,444,624	67.7	0.5m	47.2	0.8m

Source: Population: INE 2011, Use Data: MICS 2008; Calculation based on INE 2011 and MICS 2008

2.1.3 Health Data

The UNICEF Mozambique *Child Poverty and Disparities* study (2010) notes that nationally under five (U5) mortality rate reduced from 153 deaths per 1,000 live births in 2003 to 141 in 2008.⁶ However, despite this decrease, the 2009 National Child Mortality Study reports that gastrointestinal infectious disease remains a significant contributing factor to U5 mortality accounting for seven per cent of the total number of deaths. Indeed, the 2008 Multiple Indicator Cluster Survey (MICS) recorded an increase in diarrhoeal disease in U5s from 14 per

⁶ UNICEF (2010) Child Poverty and disparities

cent in 2003 to 18 per cent in 2008 with the highest prevalence recorded in Nampula Province (23 per cent).⁷ The annex 6 presents additional information of national basic social data.

2.2 Rationale for Province and Small Towns Selection

Below are key guiding factor for selection of Nampula Province for the foreseen AusAID – UNICEF partnership for WASH:

- Population growth:** Nampula Province is the most populous province in Mozambique (4,529,803), representing approximately 20 per cent of the country's total population (INE 2011 projections based on Census 2007). The second populous province is Zambézia (4,327,163). More than 69 per cent of the population (3,161,802) in Nampula Province is residing in the rural areas. A total of 2,015,762 people are aged between 0 and 14 years,
- Poverty Index:** According to the 2008/2009 IOF, both Nampula and Zambezia provinces—with about 40 per cent of the total country's population—have the highest concentrations of poverty. This has the highest impact on poverty reduction at a national level. Clearly, even if reduction is observed in other provinces, the impact on the national poverty figures will remain low if poverty is not reduced in Nampula and Zambezia. Investing in sustainable sanitation and drinking water improves health, reduces health care costs, boosts productivity and increases the return on investments in education.

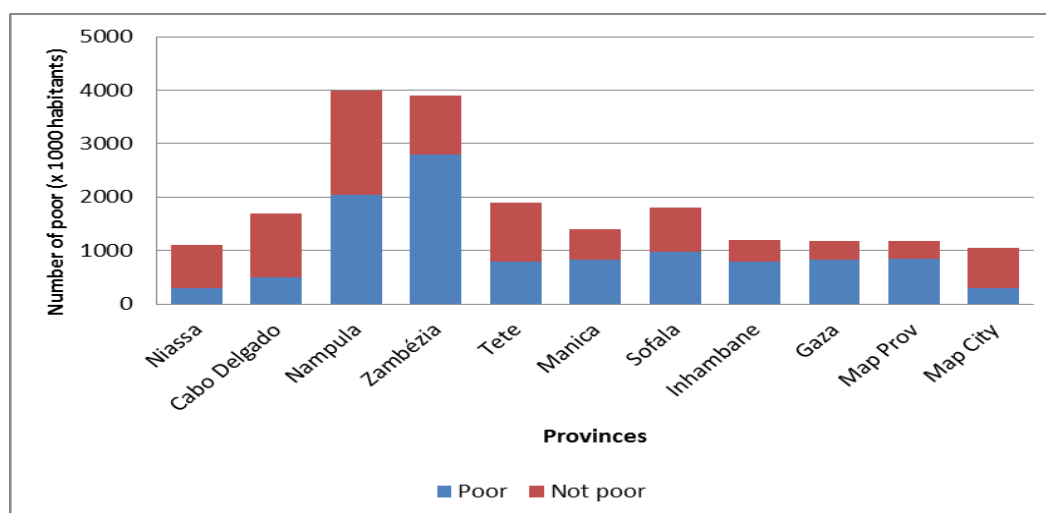


Figure 3: Number of poor per province (x 1000 habitants)

- WASH and Health Indicators:** Approximately 43 per cent of the population in Nampula has access to and use of safe drinking water. However 37 per cent (which is the second highest after Gaza province) takes more than one hour to collect water. In addition, 46 per cent of the population still practicing open defecation while more than

⁷ UNICEF (2010) Multiple Indicator Cluster Survey (MICS), Mozambique

38 per cent have unimproved latrines (2008 MICS). Child mortality rate in Nampula province is about 139/1000.

- **Institutional Framework:** In the urban and peri-urban water supply sector, the Provinces of Nampula and Cabo Delgado have been approved for the establishment of the Provincial Regulatory Body (CRA) and Provincial Delegations of AIAS (for management of Water and sanitation assets).

The indicators above clearly reinforce the necessity to invest in Nampula Province. Annex 3 shows the profile of Nampula Province and programme target districts.

Justification for District Selection

Consultations were arranged with the Provincial Public Works Department (DPOPH) of Nampula Province to ascertain the criteria to be used for the selection of geographical areas of Nampula for the proposed AusAID investment (see annex 4). Four criteria were selected:

1) *Criteria 1 (C1) – Inclusion in AIAS selected towns*

The Decree Law 51/2010 listed the 124 small towns and five cities that are under the responsibility of AIAS. For Nampula province, this includes one city and 19 small towns.

The first selection criterion for the AusAID investment is therefore to select small towns that are directly under the delegated management of AIAS

Table 2: AIAS listed cities and towns in Nampula

NAMPULA PROVINCE	Cities (1)	Small Towns (19)
	Ilha de Mozambique (AusAid financed)	Monapo
		Ribaue
		Namapa
		Malema
		Mutuali
		Meconta
		Namialo
		Nametil
		Moma
		Moussuril
		Murupula
		Nacala-Velha
		Rapale
		Nacarua
		Lalaua
		Mecuburi
		Memba
		Liupo
		Muecate

2) Criteria 2(C2) – Nacala Coal Corridor

The coal reserves in both Tete and Niassa Province are stated to be the largest in the world. Australian mining company (RIVERSDALE-RIO TINTO) has the concession for one of the largest coal seams in Moatize, Tete Province. The export of this coal will be via Beira Port (Sofala Province) and Nacala Port (Nampula Province). The movement of the coal will be through the road and rail link from the Western border of Nampula Province (Malema District) through Ribaue, Nampula Raple, Mecuburi, Maconta and Monapo districts to Nacala Port (see Fig 4).



Figure 4: Nacala Coal corridor in Nampula province

Investment in the rail infrastructure and the new port terminal is secured through Brazilian financing and works will begin in 2012. Additionally, Japan/South Korea/African Development Bank investment has been secured to rehabilitate the main road network between Nampula City and Monapo to ensure the transportation of coal by both rail and road. With this increased investment in transportation links, the Government of Nampula Master Plan estimates an 18 per cent population increase in each of the small towns along the coal corridor.⁸ This spatial growth will place strain on existing water supply and sanitation services and will require significant social investment.

The second selection criteria for the AusAID investment is therefore to select small towns and districts that will be adversely affected by the investment in the coal corridor.

3) Criteria 3 (C3) – Available Investment

The DPOPH Nampula noted that they have investments from the following donors for the small town:

⁸ Governo de Provincia de Nampula Plano Estrategico da Provincia de Nampula 2010-2020

- **Millennium Challenge Corporation (MCC)** - have infrastructure investments in Nacala and Nampula Cities and have completed a prefeasibility survey for Monapo PWSS. However, due to the funding limitations, MCC is not able to fund the rehabilitation works for Monapo PWSS.
- **GoM** - A full detailed design has been undertaken by SOLOMON Ida for Namialo system but no works have been undertaken due to limited funds,
- **AusAID/World Bank** - have investments in Ilha de Mozambique.

No other investment is secured for small towns. The third selection criteria for the AUSAID investment is therefore small towns that not are receiving (or do not have plans to receive) investments.

4) Criteria 4 (C4) – Low water supply and sanitation coverage

The DPOPH Nampula notes that 12 of the 18 districts of the Province have a water supply access that is less than 60 per cent. These include Rapale, Mogovolas, Membra, Moma, Erati, Monapo, Muecate, Angoche, Meconta, Mecuburi and Mogincual. In order to reach the MDG7c target of 70 per cent, it is recommended that these districts are selected as priority districts for investment.

Limited data is available on sanitation coverage particularly in small towns. In order to assess the level of sanitation coverage, it is proposed that this programme will develop a sanitation master plan covering the five Programme small towns.

The fourth selection criteria for the AusAID investment is therefore districts with water supply and sanitation coverage lower than 60 per cent.

Selected Geographical Areas for Intervention – Nampula Province

Table 3: Criteria for town selection

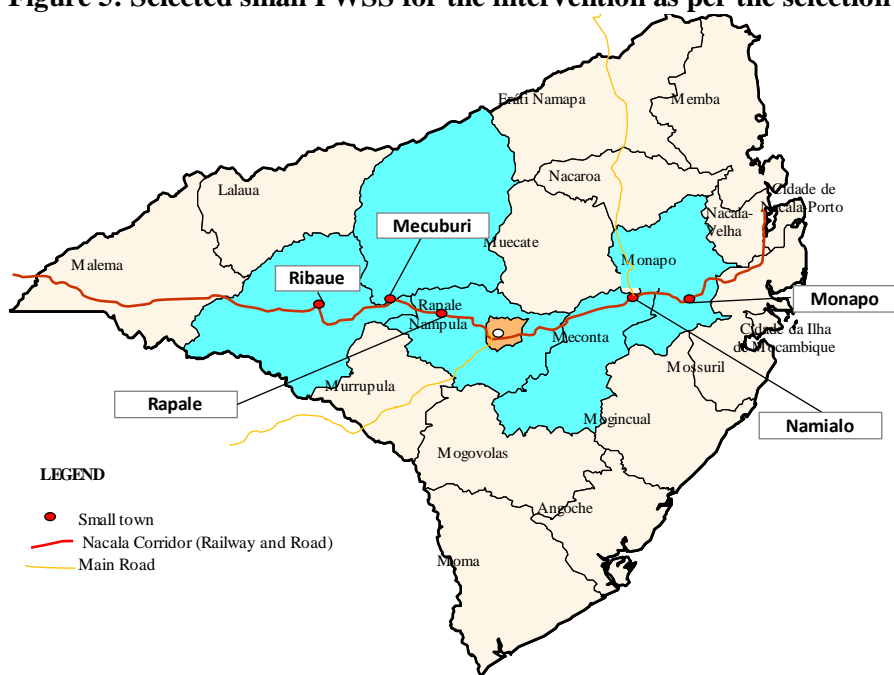
District	C1: Non Functioning AIAS PWSS	C2: Nacala Corridor	C3: Lack of Available Financing	C4: Low Water and Sanitation Supply Coverage (<60%)	Selected for PWSS intervention
Ilha de Moçambique					
Malema					
Mutuali					
Ribaue					YES
Morrupula					
Mecuburi					YES
Moma					
Namapa					
Liupo					
Nametil					
Rapale					YES
Meconta					
Namialo					YES
Muecati					
Nacarora					
Memba					
Monapo					YES
Moussuril					
Nacala Velha					
Lalaua					

Outlined below is a summary of the selected small towns and for this intervention. An overview of technical design for the targeted small PWSS can be seen in annex 4.

Table 4: Summary of small towns selected for the intervention

NAMPULA PROVINCE	Small Towns (5)
	Monapo
	Ribaue
	Namialo
	Mecuburi
	Rapale

Figure 5: Selected small PWSS for the intervention as per the selection criteria



3. PROGRAMME LOGFRAME

Logical Framework – Technical Component⁹

	Intervention's Logic	Objectively verifiable indicators (OVIs)	Sources of Verification	Assumptions
Overall Objective	Contribute in reduction of incidence of water and sanitation-related diseases, particularly among the most vulnerable group (children and women) living in rural areas and small towns; increased economic growth and a higher ranking in the Human Development Index.	<ul style="list-style-type: none"> Reduction in U5MR due to diarrhoea and other water-related diseases from 140/1000 to 125/1000 (PARP 2011-2014 target); Reduction of cholera outbreaks and other diarrhoeal diseases; PAF I-6: Trend in incidence of diarrhoea for program locations from health agency data; Increased access to and use of safe drinking water and safe sanitation facilities in most un-served and vulnerable communities. Poverty index below 54% (PARP targets) Human Development Index (184/187 in 2011; HDI 2011, UNDP) 	INE, household surveys data (MICS, DHS, IOF)	
Programme Purpose	To enable a minimum of 150,000 currently un-served people to use domestic water from improved water facilities, and 50,000 to use safe sanitation facilities and adopt safe hygiene practices, such as hand washing with soap (or ash where soap is not available) after toilet use and before eating/feeding. To enable 20,000 school children to access and use improved sanitation, hand washing and water supply facilities in primary schools.	<ul style="list-style-type: none"> Rate of provincial coverage of urban water supply (intervention's target areas); Rate of provincial coverage of urban sanitation (intervention's target areas); # of targeted population covered by hygiene education activities; # of targeted schools with access to water supply; # of targeted schools with access to improved sanitation. 	<ul style="list-style-type: none"> Household survey data (INE, DNA); DPOPH & AIAS annual reports; Programme progress & annual reports; Programme baseline study; Programme evaluation reports; Water and sanitation database (DNA and DPOPH/DAS); MINED (Ministry of Education) reports. 	<ul style="list-style-type: none"> Effective user's involvement Effective Inter-sectorial coordination particularly for sanitation;
Results	<ul style="list-style-type: none"> (R1) - Increased access and use of safe drinking water from 43% (2008 MICS) to a least 48% in Nampula province by 2015. (R2) - Increased access and use of safe sanitation facilities from an average of 15% (2008 MICS) to at least 30% in Nampula province by 2015. (R3) - Increased girls' enrolment and retention in primary schools in Nampula province by 2015. 	<ul style="list-style-type: none"> For R1: <ul style="list-style-type: none"> PAF I-1: # of additional people with access to safe water; # of water committees and small PWSS functioning effectively in the programme areas; For R2: <ul style="list-style-type: none"> PAF I-2: # of additional people with access to basic sanitation; For R3: <ul style="list-style-type: none"> PAF I-4: # of additional schools 	<ul style="list-style-type: none"> For R1: <ul style="list-style-type: none"> DPOPH/Districts & AIAS annual reports Programme progress & annual reports For R2: <ul style="list-style-type: none"> DPOPH/Districts & AIAS annual reports Programme progress & annual reports For R3: 	<ul style="list-style-type: none"> Effective decentralised implementation and users' ownership

⁹ AusAID Key result areas for consistent measurement across AusAID WASH activities are indicated with AUSAID PAF I/Q coding

	Intervention's Logic	Objectively verifiable indicators (OVIs)	Sources of Verification	Assumptions
	<ul style="list-style-type: none"> • (R4) – Increased (at least 50,000) number of caregivers (particularly women) applying safe hygiene practices in the programme area. • (R5) – Sustainable water & sanitation services. 	<p>with water, sanitation and hand washing facilities;</p> <ul style="list-style-type: none"> ○ # of schoolchildren using the latrines correctly; ○ # of schoolchildren washing their hands at critical times (before eating and after using the latrine); <ul style="list-style-type: none"> • For R4: <ul style="list-style-type: none"> ○ PAF I-3: # of additional locations with hand washing facilities and soap; ○ # of households using the latrines properly; ○ # of cases of diarrhoea reported; ○ # of households with adequate containers for water storage; • For R5: <ul style="list-style-type: none"> ○ % of operational water sources (in the programme area) ○ PAF I-5: # of additional water and sanitation service providers monitored independently; ○ % of HH using safe sanitation facilities at end of programme implementation. ○ PAFI-7: AusAID breakdown of commitment to water supply: sanitation: hygiene. 	<ul style="list-style-type: none"> ○ MINED Reports; ○ Programmes progress & annual reports; ○ Impact evaluation report. <ul style="list-style-type: none"> • For R4: <ul style="list-style-type: none"> ○ Programme Baseline study ○ Impact evaluation report ○ Epidemiological vigilance system of MISAU. • For R5: <ul style="list-style-type: none"> ○ DPOPH/District annual reports; ○ AIAS & CRA reports; ○ Programme Evaluation reports; ○ Programme sustainability check report; ○ Progress & annual Reports. 	
Activities	<ul style="list-style-type: none"> • For R1: <ul style="list-style-type: none"> ○ Update baseline indicators; ○ Disseminate programme implementation strategies and approaches; ○ Detailed technical designs ○ Identification of management model for small PWSS and users' management committees; Selection of small PWSS Operators, establishment and training of users' management committees; ○ Rehabilitation of small PWSS; ○ Monitor the quality of works ○ Monitor the functioning of water supply services. • For R2: <ul style="list-style-type: none"> ○ Update baseline indicators; 		<ul style="list-style-type: none"> • Baseline reports • Programme Progress & annual reports • Gender Equity Markers <ul style="list-style-type: none"> • Baseline reports 	<ul style="list-style-type: none"> • Adequate capacity of the private sector and civil society.

	Intervention's Logic	Objectively verifiable indicators (OVIs)	Sources of Verification	Assumptions
	<ul style="list-style-type: none"> Disseminate programme implementation strategies and approaches; Identify and disseminate appropriate (technical and socio-cultural) technology options for HH sanitation Plan the intervention, organise the communities and train the local artisans; Promote the building of improved latrines; Intensify hygiene promotion for correct use of the sanitation facilities; <ul style="list-style-type: none"> For R3: <ul style="list-style-type: none"> Conduct a baseline study; Update education materials for school hygiene; Establish school clubs for promoting hygiene; Carry out integrated (water and sanitation) interventions for promoting hygiene; Construction of school WES facilities including hand washing facilities; Carry out impact evaluation studies (at end of the programme cycle). For R4: <ul style="list-style-type: none"> Conduct a baseline study Update education and training materials for hygiene promotion Conduct integrated hygiene promotion activities through PEC zonal Carry out impact evaluation studies (at end of the programme cycle). For R5: <ul style="list-style-type: none"> Strengthen small PWSS Operators' skills for operating and managing small PWSS Improve the supervision and inspection of works; Improve the supervision of social interventions; Conduct mid-term sustainability check; Conduct a programme evaluation study. 		<ul style="list-style-type: none"> Programme Progress & annual reports Baseline reports Programme Progress & annual reports Programme Progress and annual reports 	<p>PRECONDITIONS:</p> <p>Adequate internal capacity of District Administration and DPOPHs (being addressed as part of the programme).</p>

Logical Framework – Institutional Component

	Intervention's Logic	Objectively verifiable indicators (OVIs)	Sources of Verification	Assumptions
Overall Objective	Increased access to water supply, sanitation and hygiene by the targeted population, through improved management of sector funds and programme activities, as well as increased allocation of government funds for small piped water supplies and sanitation.	<ul style="list-style-type: none"> Available reliable financial investment and expenditure records Integrated sector planning processes % of GoM WASH budget allocated to small piped water supplies % of GoM general budget allocated to sanitation Number of qualified staff at decentralized levels 		
Programme Purpose	Strengthened sector capacities at Provincial level (DPOPH, Provincial Delegations of AIAS, CRA) to plan, co-ordinate, implement, supervise sector activities; document and disseminate sector lessons learned and good practices.	<ul style="list-style-type: none"> Process Indicators: <ul style="list-style-type: none"> Formal programme mechanisms in place; Improved planning mechanisms; Improved monitoring and evaluation for recording of new users; Partners' competence evaluation. Impact Indicators: <ul style="list-style-type: none"> Degree of realisation of the programme results (quality, cost, time); Stakeholder satisfaction with the programme intervention; Competence updating level of partners improved. 	<ul style="list-style-type: none"> Programme progress & annual reports Programme final report Annual review meeting 	<ul style="list-style-type: none"> AIAS / CRA ability to decentralise and collaborate with DPOPH Water sector staff willing to cope with programme demands Effective implementation of new roles and responsibilities, particularly in relation to decentralisation.
Results	<ul style="list-style-type: none"> (R1) –Strengthened capacities of key programme players at local and provincial levels - local authorities (Districts, Municipalities), DPOPH, AIAS and CRA provincial Delegations. (R2) - Planning, Monitoring and Evaluation systems improved (R3) - Towns and provinces provided with resources to meet the requirements of this and other programmes (R4) - Competence and performance of the human resources of the sector developed to meet the requirements of this and other programmes (R5) - Actual and future partner competence and performance improved, in order to respond to the complexity of this and other similar programmes. 	<p>For R1:</p> <ul style="list-style-type: none"> Process Indicators: <ul style="list-style-type: none"> Number of skilled and qualified staff recruited; Impact Indicators: <ul style="list-style-type: none"> Degree of realisation of the programme results (quality, cost, time) Stakeholder satisfaction with the programme intervention <p>For R2:</p> <ul style="list-style-type: none"> Process Indicators: <ul style="list-style-type: none"> Programme baseline completed; Impact Indicators: <ul style="list-style-type: none"> Sustainability check and end-programme evaluation rating <p>For R3:</p> <ul style="list-style-type: none"> Impact Indicators: <ul style="list-style-type: none"> Degree of realisation of the programme results (quality, cost, time) <p>For R4:</p> <ul style="list-style-type: none"> Process Indicators: <ul style="list-style-type: none"> Performance evaluation system implemented Impact Indicators: <ul style="list-style-type: none"> Competence updating levels improved, following the individual competence development plan; Degree of staff satisfaction with the systems. <p>For R5:</p> <ul style="list-style-type: none"> Process Indicators: <ul style="list-style-type: none"> Performance review of incentives indicators system implemented Performance evaluation system implemented Impact Indicators: <ul style="list-style-type: none"> Improved competence updating levels, in accordance with the individual competence development plan. 	<ul style="list-style-type: none"> Progress implementation reports; Planning system specification report Monitoring and evaluation system specification report 	<ul style="list-style-type: none"> Availability of qualified training institutions Availability of technical and management support skills, through consulting or technical assistance Minimal rotation of programme staff.
Activities	<p>For R1:</p> <ul style="list-style-type: none"> Develop and approve "Private Sector Operator Models" and "Value delivery system" model and value chain for each actor Define roles and responsibilities for each programme actor 	<p>For R1:</p> <ul style="list-style-type: none"> Process Indicators: <ul style="list-style-type: none"> "Private Sector" models developed, "Value delivery system" developed and validated Value chain developed for each stakeholder Roles and responsibilities of each stakeholder clearly defined and approved 	<p>For R1:</p> <ul style="list-style-type: none"> "Value delivery system" definition report Stakeholders roles and responsibilities definition report 	<ul style="list-style-type: none"> Financial resources available.

	Intervention's Logic	Objectively verifiable indicators (OVIs)	Sources of Verification	Assumptions
	<ul style="list-style-type: none"> Define, test and implement communication and information mechanisms between central, provincial and district levels, as well as between the different stakeholders Review procedures in order to respond to the new challenges Propose tariffs and regulation that facilitates the existence of fundamental programme functions at town/district, provincial and national levels <p>For R2:</p> <ul style="list-style-type: none"> Develop and approve a list of standardized indicators Develop, test and implement a regular indicator data collection process (ensured by programme contracted staff) Implement monitoring and evaluation system, allowing to link programme costs to results and impact (ensured by programme contracted staff) Assure quality of baseline information <p>For R3:</p> <ul style="list-style-type: none"> Allocate water and sanitation human resources at town/district level Reinforce human resources at DPOPH, AIAS Delegation and CRA Pilot incentive based staff retention mechanisms at town/district/province level. <p>For R4:</p> <ul style="list-style-type: none"> Conduct training sessions for sector staff at all levels Design, test and implement the performance evaluation systems <p>For R5:</p> <ul style="list-style-type: none"> Design attractive private sector business packages that motivate capital investment of partners (ensured by programme contracted staff – procurement function) and identification, training and retention of private operators, Develop the management capacity of partners Support NGO/CBO/FBO strategy definition and strengthen their implementation capacities 	<ul style="list-style-type: none"> Staff allocation to different functions assured Communication and information mechanisms between central, provincial and town/district level defined and tested Regulations proposed. Impact Indicators: <ul style="list-style-type: none"> Degree of stakeholders satisfaction with the programme co-ordination and management mechanisms Degree of realisation of the programme results (quality, cost, time) <p>For R2:</p> <ul style="list-style-type: none"> Process Indicators: <ul style="list-style-type: none"> Findings from programme baseline study supporting planning and implementation processes of the programme; Impact Indicators: <ul style="list-style-type: none"> Degree of stakeholders satisfaction with the procedures being used <p>For R3:</p> <ul style="list-style-type: none"> Process Indicators: <ul style="list-style-type: none"> # of water and sanitation professionals at provincial and town/district level # of benefits included in the staff retention mechanisms Impact Indicators: <ul style="list-style-type: none"> Degree of realisation of programmes results (quality, cost, time) <p>For R4:</p> <ul style="list-style-type: none"> Process Indicators: <ul style="list-style-type: none"> Performance evaluation system developed Objective definition and evaluation carried out Impact Indicators: <ul style="list-style-type: none"> Beneficiaries satisfaction level with the system and it's integration with the competence evaluation system <p>For R5:</p> <ul style="list-style-type: none"> Process Indicators: <ul style="list-style-type: none"> # and value of business packages established by the programme # of partners taking part in procurement, finance and management training Partners requirements defined and agreements signed Programmatic, administrative and financial processes and procedures established Impact Indicators: <ul style="list-style-type: none"> Competence updating levels improved Staff satisfaction levels towards the implementation mechanisms. 	<ul style="list-style-type: none"> Programme progress & annual reports Programme management and implementation structure document Monthly regulation reports <p>For R2:</p> <ul style="list-style-type: none"> Programme progress & annual reports <p>For R3:</p> <ul style="list-style-type: none"> District Administration staff list Programme progress & annual reports <p>For R4:</p> <ul style="list-style-type: none"> Programme progress & annual reports <p>For R5:</p> <ul style="list-style-type: none"> Programme progress & annual reports Partner's shortlist report 	

4. HOW THE PROGRAMME WILL ADDRESS DEVELOPMENT NEEDS/ISSUES

The proposed approach will capitalise on and be aligned with the existing aid delivery mechanisms in Mozambique for the small towns. Specifically, the programme will benefit from the lessons learned and experiences in implementing water and sanitation interventions in small towns, at both service delivery and institutional capacity development under the WASIS – WB/AusAid, WSP, MCC/MCA funded projects. The proposal will focus in two main areas of intervention, as described below:

4.1 Small Town Water Supply, Sanitation and Hygiene Promotion

Using UNICEF's strategic influence and active participation in WES sector in Mozambique combined with its strong implementation capacity, the proposed approach will involve a direct contract between AusAID and UNICEF to support the strengthening of the institutional framework for management of water supply and sanitation services in small towns in Nampula Province including capacity building for local/municipal authorities for their engagement with water & sanitation users in overall water and sanitation management. The programme will include a:

1. strategic sanitation master plan for five small towns;
2. implementation investment of sanitation solutions in five small towns in Nampula Province;
3. develop example of CRA- Delegation of AIAS model including water and sanitation tariffs;
4. provide the management and technical capacity to AIAS to ensure the effective implementation of available water and sanitation investments in small towns in the selected province;
5. operationalize the strategic sanitation master plan with clear focus on sustainability of sanitation systems;
6. document and strengthen the Provincial Delegation of AIAS model; and
7. assist AIAS and CRA to leverage funds from other donors to replicate the Provincial Delegation of AIAS model in two other provinces by 2015.

Based on UNICEF's experience of implementing small town sanitation in a former EU funded programmes in Mozambique, the proposed budget for the intervention will include between USD 100 and USD 150 per household for environmental sanitation. This includes access to safe sanitation, liquid and faecal sludge management and hygiene promotion.

Sanitation and hygiene promotion will be addressed through Communication for Development and for Social Behaviour Change and Participation and Community Education (PEC) Zonal approaches. PEC Zonal is a well-established approach in the water and

sanitation sector in Mozambique and has been widely used by GoM and UNICEF for social mobilisation and sanitation and hygiene promotion in the *One Million Initiative*. It involves a contract between the local authorities and a NGO/CBO who has knowledge of the cultural, religious and linguistic context of that district. These contracts are bi-annually and include quarterly indicators linked to specific outputs (e.g. number of ODF communities achieved between January-March).

The PEC approach will be adapted for water supply systems in small towns through the use of Total Sanitation and Sanitation Marketing (TSSM). The TSSM approach has been successfully applied in small towns in Tanzania, Ghana and Kenya and the programme will undertake exposure visits to some of these sites to replicate these approaches in Nampula Province. The TSSM is applied to promote hygiene messages in urban areas and to ensure that households in the target towns move up the sanitation ladder with a result of achieving sustainable sanitation services. For this approach NGO and private sector involvement (e.g. marketing companies) is of pivotal importance.

Household hygiene and water safety will also be assured through the integration of a risk assessment and risk management approach to safe household water storage and microbial contaminant control in the drinking water supply. Following national and internationally established guidelines for Water Safety Plans (WSP), the programme will undertake capacity development of both the regulating authority (CRA) and the Ministry of Health (MISAU) to improve safe water quality through these various instruments.

The proposed interventions will be carried out in the following five Small Town Water Supplies based on a priority list agreed with DPOPH Nampula which is aligned with the selection criteria established. The number of proposed beneficiaries in each intervention area outlined below.

Table 5: Number of WASH Beneficiaries/Town Selected

Small Towns (5)	No of beneficiaries (water)	No of beneficiaries (sanitation)	No of beneficiaries (hygiene)
Monapo	40,000	10,000	10,000
Ribaue	20,000	10,000	10,000
Namialo	45,000	10,000	10,000
Mecuburi	20,000	10,000	10,000
Rapale	25,000	10,000	10,000
TOTAL	150,000	50,000	50,000

Data on the exact sanitation coverage in these small towns is not available. However, using the MICS percentage coverage data for urban sanitation of 38 per cent, it is estimated that a total of 50,000 people will effectively benefit from safe sanitation and hygiene promotion in these five towns of the programme. The number of the programme sanitation users has been strategically estimated taking into consideration the need to ensure both users' knowledge and practice in relation to the safe sanitation. This will require the use of different communication

approaches including interpersonal communication and focus on key communication messages for effective behaviour change.

4.2 School WASH

Based on the successful UNICEF model used globally in schools, under the “Child-Friendly Schools”, the programme will support the construction or improvement the water supply facilities and sanitation and hygiene complexes (latrines, urinals and hand washing facilities) and will undertake hygiene promotion activities through child-to-child approach and School Health Clubs. The programme will focus on strengthening hygiene practices and skills (hand washing, safe excreta elimination, and water conservation) of about 20,000 school children, using a combined methods of sports-learn hygiene, PHAST and CLTS to ensure knowledge transfer and behaviour change among schoolchildren and their parents (as change agents to influence behaviour change in families at home).

The programme will ensure that school WASH interventions are designed and implemented taking into consideration gender needs and disability of schoolchildren. This will include (a) Menstrual and Hygiene Management (MHM) to contribute to girls’ enrolment and retention; (ii) developing inclusive models of sanitation for persons with disabilities and special needs, such as minimum toilet dimensions for a wheelchair user; and small children.

5. PROGRAMME IMPLEMENTATION STRATEGY

The programme will take advantage of key lessons learned including the bottlenecks experienced in implementing water and sanitation interventions in small towns in country, particularly under the AusAID/WB funded project – WASIS (Water Services and Institutional Support project). WASIS through its Component B (*Capacity Building, Institutional and Operational support to DNA*) supports the operationalization of AIAS and its provincial delegations by (i) setting up and piloting a sustainable institutional and regulatory management model for the small towns, including infrastructure investments in Ilha de Moçambique (Nampula province) and Mocimboa da Praia (Cabo Delgado province); (ii) building the capacity and promoting active participation of the sector players with reference to district and municipal authorities, public and private sector including small scale providers. The Component C of WASIS (*Capacity Building, Institutional and Operational Support to CRA*) supports the implementation of the expanded regulatory framework to small towns including drainage and sanitation. There are other sector partners also active in urban water supply and sanitation such as (i) the Water and Sanitation Programme (WSP/WB) that is providing technical assistance to AIAS Provincial Delegation in the area of capacity development and training; (ii) providing technical assistance and knowledge transfer; (iii) FIPAG, EU, ADB.

The AusAid-UNICEF programme will, therefore, seek collaboration and complementary actions with all these sector players particularly the WASIS project for harmonisation of approaches for management of small towns' water supply and sanitation services. The main distinction between WASIS and AusAid-UNICEF programme is in the geographical focus. While WASIS focus on capacity development at provincial level and infrastructure investment in Ilha de Moçambique, the AusAID-UNICEF programme focuses on funding (for both capacity building and infrastructure investments) the five small towns to ensure the required capacities of the small towns to manage small PWSS.

In this regard, intensive stakeholder meetings have been held at both provincial and central levels to develop an understanding of the most appropriate implementation strategy for this proposal (see annex 9 & 10). Furthermore, UNICEF organized an exposure visit to Ghana in October 2011 to learn from the positive experiences of small town water supply and sanitation. The team comprised of senior officials from AIAS, DPOPH Nampula and UNICEF. Based on these discussions and the exposure visit, the following programme implementation strategy has been developed.

The proposed programme implementation strategy involves a strong focus on decentralization. This includes implementing through the delegated management model for Small Town Water Supply and Sanitation, whereby assets are owned by the government (Provincial Delegation of AIAS) and operations are managed by the private sector under a

concession, lease or management contract. Technical support will be provided by UNICEF for detailed project design, contract management, monitoring and for supervision of the works.

Given the low coverage of sanitation countrywide and challenges faced in achieving the sanitation results of many water and sanitation interventions, this programme will give special attention to sanitation by prioritizing sanitation interventions followed by water supply to ensure an appropriate level of sanitation coverage and maximize the health community impacts,

Outlined below are a summary of the strategies that will be adopted for sanitation and water supply interventions.

5.1 Sanitation and Hygiene in Small Towns

The programme will follow the GoM strategy on (peri-) urban sanitation that places emphasis on (i) active participation of local private sector and NGOs/CBOs for sanitation marketing and hygiene promotion for social behaviour change; and (ii) local authority capacity development for supervision and to facilitate effective participation of users in the provision of the sanitation services. Furthermore the strategy advocates for designing and dissemination of affordable household sanitation technologies that take also into consideration the social-cultural issues of communities. This strategy is based on demand creation through various methods including the Community Approaches to Total Sanitation (CATS).

In order to ensure access to all target population to sanitation technology that would enable households to progressively move up on the sanitation ladder, financing schemes such as revolving funds and micro loans will be piloted. Furthermore, specific funding mechanisms will be implemented to ensure meeting the needs of the most vulnerable people and areas with higher incidence of water and sanitation borne diseases.

Competition between bairro (neighborhoods) and small towns to reach a complete ODF and hygienic status (for both liquid and solid waste management) will be stimulated in a "sanitation league of towns". Given the implementation strategy in two phases, the "sanitation league of towns" will be predominantly implemented in phase II.

The Government of Mozambique has developed a strategy for urban sanitation that includes peri-urban areas. The strategy recommends to zone urban areas in order to ensure the provision of appropriate sanitation services. These include:

1. *Planned urban areas* – “cement city” with centralized sewerage, storm water drains, septic tanks and conventional on plot sanitation.

2. *Unplanned peri urban areas* – lower income areas with onsite sanitation and minimal drainage.

The programme will, therefore, support sanitation interventions with focus on the following components:

- ***Development of Sanitation Master Plan for each target small town:*** in order to provide appropriate sanitation services. This will include a mapping of existing sanitation infrastructure, population density, local development plans for urban expansion, access and viability, willingness to pay for sanitation, private sector actors and municipal and local level capacity assessment. The programme will ensure the participation of all key stakeholders with focus on environmental affairs, health, municipalities/local authorities, CRA, AIAS and beneficiaries.
- ***Household Sanitation Infrastructure and Promotion:*** based on the recommendation from the mapping, different approaches to sanitation will be adopted such as Total Sanitation and Sanitation Marketing (TSSM). The programme will strongly advocate for the active participation of local private sector/artisans for sanitation marketing and development of sanitation components that are in line with the sanitation technology options accepted by households. In addition to the promotion of safe sanitation technologies, emphasis will also be placed on hygiene promotion for social behaviour change and role of women to influence sanitation improvements at both community and household levels. This will include involvement and partnership with local NGOs/CBOs, health promoters to undertake hygiene promotion activities through person-to-person outreach visits to homes, schools, health centres and other locations where people gather to spread hygiene and sanitation messages. Environmental cleaning campaigns will be promoted and organised with the involvement of local authorities and neighbourhoods.
- ***Solid Waste Management:*** while recognizing that solid waste management is not under the mandate of AIAS, the programme will support municipal and district authorities to tackle solid waste management effectively in the target towns/municipalities, through development and implementation of the environmental management plans, in close coordination with the Environmental Affair authorities at provincial level. Establishment of tariffs and revenue collection systems will be followed by supporting the provision of equipment, training to service providers and rehabilitation/improvement of infrastructures for appropriate solid waste disposal and management. A zonal approach will be followed for solid waste collection with provision of containers, removal services and upgrading of final disposal sites.

- **Liquid Waste Management:** through support in collection, transport and end-disposal. In order to allow timely removal of the content of pits and septic tanks from household and other sanitation facilities, appropriate evacuation services as well as the physical accessibility (in)to the pits and tanks have to be available. Although some services are currently present for the target areas, a large part of the households in the target areas use unsanitary methods, disposing the content of pits in the environment. UNICEF intends to support the strengthening of evacuation services with both institutional support and provision of equipment. Small-scale service providers will be equipped with manual evacuation units, and trained to provide services on a for-profit basis. The sludge collected will be gathered in specially designed stations where sludge will be unloaded and billed. Larger evacuation units (tractor and tanker) will be operated by the town/municipal services and evacuate liquid waste from large septic tanks/pits that are accessible by these units, as well as the collection sites. The tankers can directly discharge at the final disposal site. Upgrading of current disposal sites is also part of this strategy, and will ensure safe end disposal of human waste. All final designs will depend on the assessments for the environmental management plan.

In line with the components above, drainage in small towns will not be included in the improvement of the sanitation.

a) Sanitation Regulation

As outlined in the national Water Policy, intervention on sanitation in urban/peri-urban areas should be complemented by setting up sanitation tariffs to cover costs for operation, maintenance and management of the sanitation systems. Through the Decree Law (18/09), the mandate of CRA has been further expanded to regulate also sanitation systems by promoting and setting up sanitation tariffs in order to ensure long term sustainability of sanitation systems. Stakeholder discussions revealed that the Beira Sanitation Programme has adopted an approach to a two tier system of sanitation tariff setting:

- Tier 1 = 15 per cent of the water bill tariff for consumers of water of more than 10,000lt/day dedicated to sanitation (regardless of whether in the cement town or peri-urban areas),
- Tier 2 = Approximately 300-500Mtz per desludging to on-site sanitation

This programme will build on these lessons and experiences and adapt them to the context of the targeted small towns. Through this approach, the programme will also demonstrate the effectiveness of sanitation tariff setting for small towns.

5.2 Water Supply in Small Towns

The implementation strategy for water supply will be in line with the national strategic plan for urban water supply. The programme will, therefore, focus on increasing at sustainable manner, the piped water supply service. This will include:

- the rehabilitation and improvement of existing piped water supply, including water treatment plants where applicable;
- the extension of water supply network;
- promotion for household water supply connections;
- construction of water supply stand post; and
- setting up and operationalizing a sustainable management system including tariff setting, revenue collection, mechanism for leakage control, development and implementation of water safety plans, ensuring that 10 per cent of the water tariff costs are invested in the rehabilitation and upgrade of the water supply systems;

The programme will ensure that gender issues are considered throughout programme implementation. This includes technical design of the stand post - raising the pipe that allows children and woman to fetch water without bending their bodies – to reduce the effort and time required for water collection.

The management of the PWSS will follow either a Private Operator or Community and Municipality model. Gender aspects particularly the involvement of women in management of stand posts will be encouraged. The Capacity of CRA will be strengthened to assist both the establishment of most appropriate tariff and to operate water quality surveillance system for improved water quality management in close coordination with the Ministry of Health.

a) Water Regulation and Quality Control

The legal framework for water tariffs for piped water systems is well established in Mozambique. The Delegated Management Framework introduced in 1998 by the Government of Mozambique promotes the establishment of a full cost recovery tariff for water supplies in urban areas. The Mozambique decree law (60/98) outlines the process for the establishment of a tariff for these systems.ⁱ These tariffs are calculated using a formula developed under the water tariff policy.

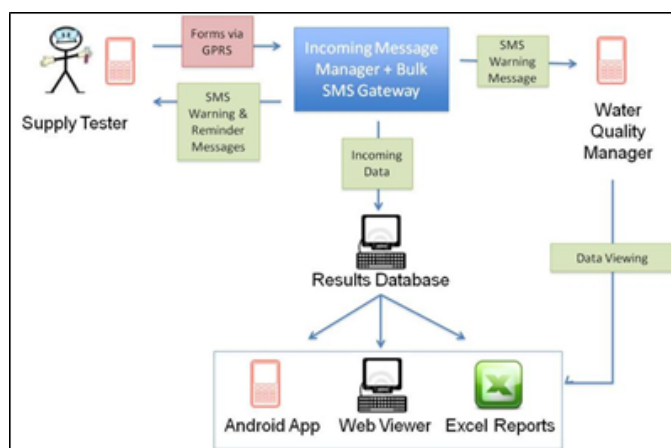


Figure 6: Water Quality Surveillance Scheme

The programme will, therefore, reinforce the capacity of CRA Delegation in Nampula for establishing the most appropriate water tariffs for the five target towns. The water tariffs will be set prior to the launch of the bidding documents for the management of the water systems.

Furthermore, the programme will assist CRA in the monitoring of water quality in the PWSS. Based on the positive experiences that UNICEF has gained in the *One Million Initiative*, the programme will strengthen, through training, the capacity of CRA on the use of Water Safety Plans (WSPs), field testing water quality kits and SMS technology for operation of water quality surveillance system for improved water quality management.

5.3 School WASH

The programme will be implemented in line with the “Child-Friendly Schools” approach, currently being implemented in Mozambique with UNICEF support. This will include the construction or improvement the water supply facilities and sanitation and hygiene complexes (latrines, urinals and hand washing facilities) and hygiene promotion activities through child-to-child approach and School Health Clubs.

The programme will focus on strengthening hygiene practices and skills, through combined learning methods (such as sports-learn hygiene, PHAST and CLTS) to ensure knowledge transfer and behaviour change among schoolchildren and their parents (as change agents to influence behaviour change in families at home).

The programme will ensure that school WASH infrastructures and hygiene education materials are designed and implemented taking into consideration the specific needs of girls and of schoolchildren with disability. By applying gender approach, particularly the inclusion

of Menstrual Hygiene Management (MHM), the programme intends to contribute to girls' enrolment and retention in primary schools.

5.4 Procurement and Financial Management

a) Procurement

The procurement of works and service will use government systems. The Government approved in December 2005, Decree 54/2005 establishing the rules of procurement for public works contract, the supply of goods and services in order to achieve greater transparency and competitive tendering for contracted services. This decree law was subsequently upgraded with Decree 15/2010 of 24 in May 2010. The Government procurement system is well acknowledged by all development partners and UNICEF/WASH supported interventions are implemented using these Government procurement procedures.

In order to operationalize the implementation of the procurement regulation, Decree 15/2010 establishes the creation, structuring and functioning of the Implementing Procurement Management Units (UGEAs) at the provincial level. This unit manages the procurement processes and is under supervision of the local responsible agency. This unit is already established at DPOPH Nampula. Resolution of contentious cases is undertaken through the Functional Unit Procurement Supervision (UFSA) which was established through the Ministerial Diploma No. 141/2006 of 5 September.

All contracts signed should seek approval by the Administrative Court prior to commencement of the contract assignments as per the national law 26/2009. For the implementation of construction works, the programme will apply the internationally accepted assumptions in terms of cost control:

- Estimated Consultancy for the Elaboration of the Project Executive: 5% of the total project cost
- Estimated cost for the Inspection of works: 10% of the total project cost
- Cost of works contracts: 85% of the total project cost

Furthermore and for specific procurement modalities, the programme will explore the Build Operate and Transfer (BOT) approach (as referred to in Article 3 of Decree 15/2010) as well as the Conventional Lease contracts.

b) *Financial Management*

In order to reduce the risk associated with financial management, the programme funds will be managed by UNICEF using UNICEF Financial Procedures that are fully compliance with the International Public Sector Accounting Standards (IPSAS). Each key programme partner (DPOPH, AIAS, CRA, and Local Authorities of the small towns) will operate a separate bank account for the management of funds disbursed for operating costs and investment funds.

As per the Figure 8 below, UNICEF will disburse programme funds to concerned partners at national and decentralised levels according to their roles and responsibilities and based on the annual implementation plans and agreements/contracts signed.

In order to allow effective flow of funds (payments and liquidation) and reduce the risk of both payments and liquidation, UNICEF has developed financial management procedures aligned with IPSAS and harmonized with the national Financial Management System. With these procedures the funds may be transferred to the partner using two modalities:

- Direct Transfer Cash: is the modalities used for the transfer of funds relating to operating expenses and payment of advance contracts;
- Direct Payment: is the modalities used to pay directly to the service provider based on written request from the partner. This modality is applicable only for services or work dully performed.

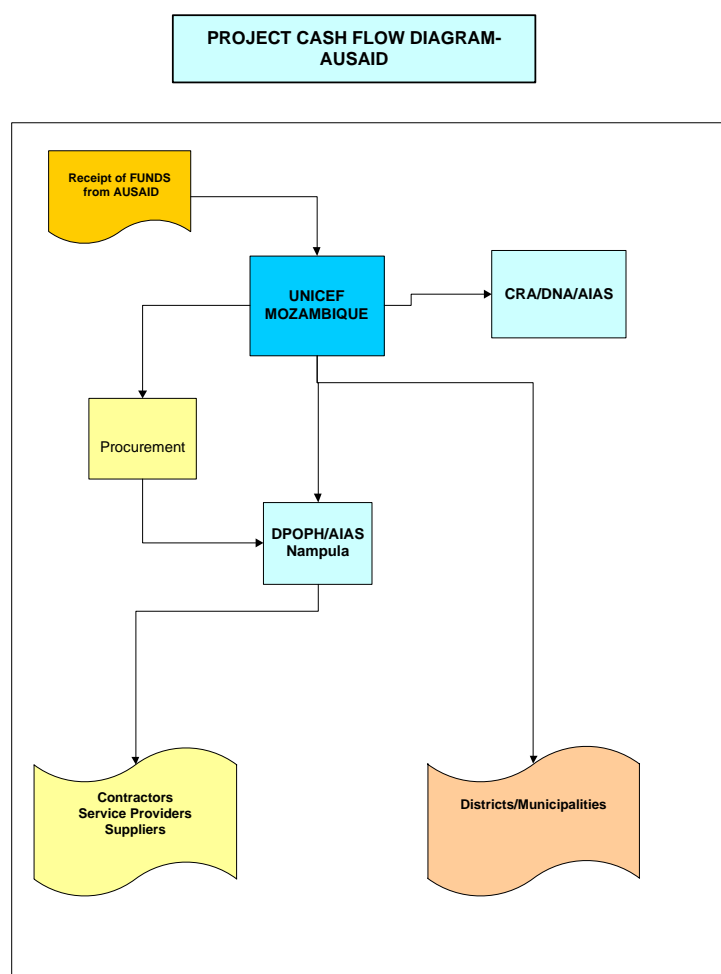


Figure 7: Cash Flow Diagram

5.5 Collaboration with Universities and Utilities

It is proposed that a partnership with Australian academic institutions and utilities (for example Melbourne Water) is pursued to maximize the exchange of knowledge, utilize academic and practical state-of-the-art methods and technologies.

Furthermore, the programme will seek collaboration with other WASH projects being implemented in small towns in Nampula - WASIS AusAID/WB, MCC – as well as exchange learning with urban water supply and sanitation projects funded by World Bank, African Development Bank through FIPAG.

6. MONITORING AND EVALUATION

6.1 Background

The AusAID–UNICEF NAMWASH Programme is designed to contribute to the achievement of the Millennium Development Goals (MDGs) with specific reference to Target 10 of MDG 7: to halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.

A key focus of the Programme, in line with AusAID, Government of Mozambique and UNICEFs’ strategies is the sustainability of interventions and outputs. Programme documents recognize the fact that system breakdown rates in the region are high, and that programme implementers should employ a variety of techniques to improve sustainability to ensure that new water and sanitation facilities continue to be used by people in target districts up to 2015 and beyond.

Monitoring is a therefore critical component of the Programme. It will hence focus on establishing a Results-Based Monitoring and Evaluation (RBME) system, including output monitoring and implementation monitoring complemented by multi-level programme reviews. This will be aligned with the AusAID PAF indicators.

This document outlines the monitoring system that will be put into place by UNICEF and its partners in Nampula Province and the target small towns. The protocol is a flexible document, which can be adjusted by the partners as necessary during review meetings over the course of the implementation period.

6.2 Objectives of the Programme Monitoring & Evaluation System

Programme monitoring and evaluation (M&E) is an integral part of the programme’ logical framework (logframe) and, as such, contributes to the overall objective of the programme. Within the context of the programme, the M&E system has three specific objectives:

1. To assess progress against results and process as outlined in the programme logframes

The monitoring system will assess logframe outputs against plan on a continuous basis. Results-based monitoring will be stressed, while routine monitoring – which will make use of existing government systems as far as possible – will be used both for overall progress assessment and to determine any weakness in the programme’s approaches or implementation that will be in turn used as the basis for course corrections.

2. To assess sustainability of programme results

The monitoring system will include a specific component for sustainability assessment. This will help to ensure that systems put into place through programme resources continue to be used by target populations. The results of the sustainability assessments will be used to

improve programme sustainability measures and to determine the necessity of the programme revisiting systems for repair or replacement in the event of permanent breakdowns.

3. To assess the impact of the programme on health, education and socio-economic status of beneficiaries

In order to measure return on investments, it is critical to assess the impact of the investments made under the NAMWASH Programme. In addition, specific innovative approaches will be subject to separate evaluations

The Figure below visualizes the key monitoring and evaluation activities that are relevant to the NAMWASH Programme.

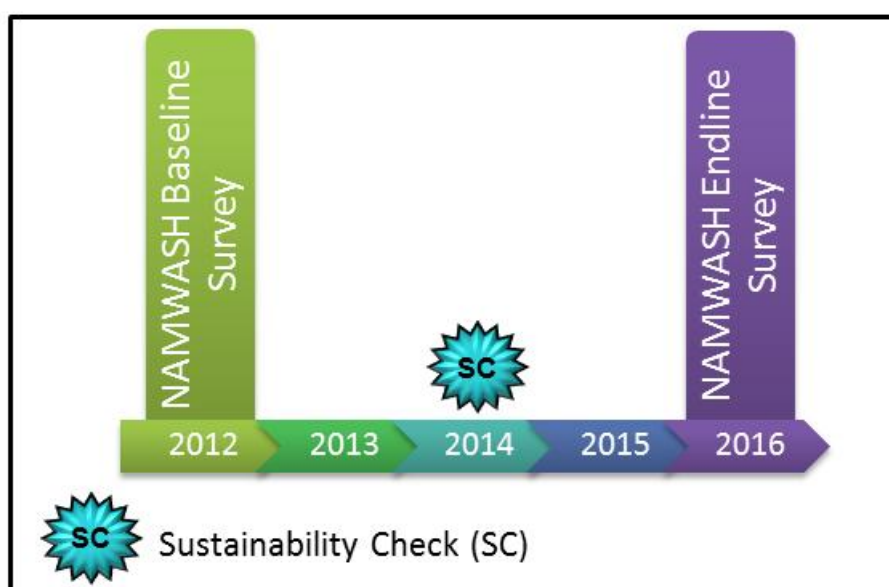


Figure 8: Key M&E activities

These M&E activities include:

- The On-going PRONASAR Baseline Study (to be completed early 2012 through the Common Fund) which will give key provincial Household (use) data and district level coverage and operational status data as well as data on district level M&E capacity;
- Programme baseline in 5 small towns as part of the master plan for sanitation;
- Sustainability Checks for small town water supply and sanitation at mid term and at end line of the programme.

The monitoring framework (see chapter 3) is fully aligned with AusAID key result areas for consistent measurement across AusAID WASH activities (indicated with PAF coding in the Framework).

6.3 Monitoring Framework

Programme monitoring will be carried out through two monitoring streams, as outlined below. Given the scale of the programme and the relative complexity of monitoring needs, a separate coordination component has been defined to ensure the coherency of the overall monitoring system.

Monitoring Stream / Component	Overall Responsible	Periodicity
<i>Results-based programme monitoring</i> - results monitoring for key indicators, including towns household-based systems - implementation process monitoring through routine data collection and analysis using existing (improved) government monitoring systems	- UNICEF for results-based monitoring - Town level government and implementation partners for routine process monitoring and PEC reporting - AIAS and DPOPH / CRA for system monitoring in 5 small towns	- continuously (process indicators) - twice per year (result indicators)
<i>Sustainability check</i> - audit of cumulative new water and sanitation users - random sample survey based methodology	- UNICEF and AusAID through an independent agency	- once at mid-line programme implementation (2014).

1.1 Monitoring Processes

Programme progress will be monitored through a results-based monitoring system with two components: (a) results monitoring and (b) implementation process monitoring. Results monitoring will employ primarily survey-based information for programme monitoring. Implementation monitoring will make use of the existing government monitoring systems, strengthened as appropriate through programme interventions. The programme monitoring system will ensure that there is a continuous flow of information between the two components, and up and down the various levels of the system. The indicators, listed in the logframes will be used as the basis for the monitoring system.

1.1.1 Results monitoring

To monitor results identified in the programme logframe, key indicators at the goal and outcomes level are identified in the logframe. For results indicators, baselines will be established through the use of existing information sources based on recent and on-going household survey processes, supplemented where necessary with programme-specific survey information. Data triangulation using different data sources will be undertaken to come up with consistent national level estimates by standardizing the definitions used.

The targets defined in the logframe will be converted into annual targets to track the programme progress. The targets which are population based will be measured through household surveys (e.g. per cent households with access to safe water or sanitation).

At national level, the impact of this programme will be monitored in terms of leverage it is having (being a key strategic investment in Nampula Province) in terms of allocation of funds towards WASH services in small towns, through replication of the Programme modality and advocacy. A threefold approach to measure will be applied (with specific indicators outlined in the M&E logframe):

- a) The impact this Programme has on fund allocation by the GoM for investment in small towns water supply systems (AIAS mandated systems). This is a critical area to monitor as the increased allocation of funds in the small towns water supply is vital if the country were to be meeting the MDGs for water supply, taking into account the large gap in investment in these areas.
- b) The impact this Programme has on allocation of the GoM state budget for sanitation. In the context of the high level platform of Water and Sanitation for All, in which Mozambique participated in the high level meeting in May 2010 in Washington, where targets have been set for allocation levels for sanitation of 0.5 per cent of the national budget. This meeting had underlined clearly the increased efforts that have to be taken by countries to live up to those targets.
- c) The impact of the Programme on advancing the decentralization agenda, with a clear focus on measuring the available capacity in Province, districts/towns and municipalities (DPOPH, AIAS and CRA as well as town/municipal authorities).

1.1.2 Implementation process monitoring

Programme implementation will be monitored through the use of Government and UNICEF Annual Work Plans (AWPs) and other routine monitoring systems. Monitoring will be based on the process indicators listed in the respective logframes.

AWPs will be the main tool for monitoring the process indicators already identified in the programme logframes. AWP monitoring will include periodic information collection not only on programme activities but also on some key management indicators including resource allocation values, resource utilization rates, human resource performance indicators and others. For this purpose the primary sources of verification will be activity reports, field visit reports, checklists for different components and sectoral review reports. These will be streamlined once a comprehensive list of monitoring indicators are identified and categorized. Also, this component will be closely linked to the monitoring system set up at the village level by an external monitoring agency to assess the effectiveness of AWP activities in achieving the results.

Information gathered through the AWP monitoring process will be augmented with data from routine governmental water and sanitation sector monitoring and reporting systems. This includes data gathered at district/town government level and nationally by the responsible ministries.

The programme will strengthen existing systems at district/town and provincial level as necessary and appropriate. Support will be provided to improve the data collection system (and feedback) at the district and small town level, through the training of district officials (from government, private sector for management of small PWSS, NGO's and CBOs) and the provision of resources.

This latter component is fundamental in establishing effective management structures for the water supply systems in small towns. Critical monitoring of technical (systems, connections, standpipes), operational (quality, quantity), and financial (tariffs, revenues, billing) parameters will be part of this.

1.2 Sustainability checks

Based on experience with Sustainability Checks in the One Million Initiative, this tool for monitoring of a composite set of sustainability parameter (technical, social, institutional, financial, environmental) will be redesigned to be applicable for small town infrastructure and ODF settings.

Sustainability checks will be carried out by a qualified independent agency contracted by UNICEF at mid-line Programme implementation, and as an integrated part of the end-line evaluation. The assessments will be conducted on a random sample basis drawn in the towns where new users have been reported through the programme monitoring system, and will be designed in accordance with best practices for statistical sectoral studies.

6.4 Evaluation

Evaluation will cover the verification of progress made, including programme design, approaches applied and results, with the aim of determining its efficiency, effectiveness, impact, sustainability, and the relevance. Specific innovative approaches will be subject to separate pilot evaluations.

A end-line evaluation of this programme in 2016 (See Figure 8), to be commissioned by an external party under mutually agreed terms of reference, will be completed to assess the impact of the investments made under the NAMWASH Programme

6.5 Coordination and responsibilities

UNICEF is responsible for the overall coordination of all M&E activities for the programme. This involves both the coordination of programme-specific processes (routine systems plus commissioned studies) with respect to programme outputs, as well as the synchronization of monitoring data collection and analysis.

6.6 Reporting and Review Process

The M&E process will provide the necessary information for developing a mid-year and end of year country progress reports. The mid-year report will be a summary of progress and the end of year reports shall cover all aspects of programme implementation including the status of programme execution, the results of the sustainability checks, expenditure levels by component and activities, programmed work, issues and any unforeseen problems and proposed solutions. In addition to the programme reports, regular update of progress implementation will be through UNICEF websites including WASH blog. Programme financial information will be based on the UNICEF Programme Management System (VISION) data, which will provide disaggregated information about utilisation of funds against each programme objective.

The *country progress reports* will be forwarded, within one month, to AusAID for review and appraisal. *Annual joint reviews* will be carried out together with representatives of the GoM and AusAID from years one to five. These reviews will consist of joint field trips and a workshop session at the national level. The terms of reference for these reviews will be drafted and agreed jointly with UNICEF, the responsible ministries and the representatives of AusAID. The annual joint reviews will provide the formal mechanism through which all parties can agree to modify the logical frameworks and adapt or supplement the programme accordingly. The outcome of the annual reviews will be discussed with the other donors and civil society.

The country progress reports will be attached to a brief annual synthesis or Annual Report summarizing the progress of the Programme. This Report should cover four main subjects:

- (i) inputs: to what extent have the planned inputs been supplied?
- (ii) outputs: to what extent have the planned outputs been produced?
- (iii) objectives: to what extent are the activities on course to reach the objectives? and
- (iv) sustainability: to what extent will the intended results of the activities be sustainable?

The *Synthesis Report* will be forwarded to AusAID for review and appraisal.

7. PROGRAMME INSTITUTIONAL FRAMEWORK

Institutional Framework and the overall programme management and coordination will be undertaken at three inter-linked levels:

- (i) at the national level and under the responsibility of UNICEF in close coordination with the Ministry of Public Works and Housing through AIAS and CRA. Other entities involved are the Ministries of Health, Education and Coordination of Environment Affairs and the Ministry of Local Government;
- (ii) at the provincial level and under the leadership of the Provincial Governor and responsibility of Provincial Directorate of Public Works and Housing (DPOPH)/Provincial Delegation of AIAS and in coordination with key line ministries at provincial level (Education, Health, Environment) with support from UNICEF; and
- (iii) at small town level and under the leadership of Local Authorities/Municipality and with assistance from DPOPHs and UNICEF.

The specific roles and responsibilities of the key programme stakeholders are described below:

Water and Sanitation Infrastructure Administration (AIAS) will:

- Provide overall policy and strategic guidance and liaisons with other key line ministries (Health, Coordination of Environment and Local Government) particularly for solid and liquid waste management and sanitation health ;
- Support strengthening of M&E system (data-bases, data collection tools, publications), including reporting;
- Support the establishment of the decentralised entities (Provincial Delegation of AIAS, Sanitation entities at municipal levels);
- Organize the steering committee of the programme; and
- Liaise with UNICEF to ensure the smooth implementation of the Programme.

Water Regulatory Board (CRA):

CRA as a regulatory body, will be responsible for ensuring a balance between the quality of the service, the interests of consumers and the financial sustainability of the water supply systems, through setting up of water tariffs and monitoring of its implementation. Within the scope of this programme, CRA will:

- Ensure the regulatory mechanism at provincial/small town/ municipality levels for small piped systems.;
- Assist in establishing water supply and sanitation tariffs for each small town according to the services provided; and

- Advisory in identification of the Operator for both piped water and sanitation systems management.

UNICEF will:

- Undertake overall Programme management and technical guidance;
- Ensure proper financial management, effective and efficient funds utilization;
- Liaise and close coordination with the national Local authorities at decentralised levels (DNA, AIAS, CRA) and provincial/small towns/municipal authorities (DPOPHs, AIAS and CRA Delegations);
- Provide technical, capacity building (on the job training) and coordination support to the Nampula province through an out posted team based in Nampula that will guarantee a direct support to the AIAS/DPOPH Nampula in all technical and managerial related matters (contract management, accounting, billing, pipe replacement, leakage detection and water treatment);
- Prepare donor reports (progress and annual reports);
- Facilitate timely and effective co-ordination and information sharing among stakeholders and partners; and
- Provide technical support for the improvement of operation and maintenance procedures for each system.

Provincial Directorate of Public Works and Housing / AIAS Delegation:

AIAS Delegation at provincial level:

According to its statutes AIAS Delegations are under the provincial government Management Framework. AIAS Delegation, in close coordination with DPOPH will:

- Implement the Programme as per approved annual plans and with technical assistance from UNICEF out posted team;
- Coordinate programme activities with small towns authorities, the health and education sectors, and other provincial stakeholders (NGOs, CBOs/FBOs);
- Assist small towns/ municipalities in planning and consolidating programme annual implementation plans with support from the provincial technical assistance;
- Prepare and manage bidding processes and contracts for the construction/rehabilitation of WASH facilities including sanitation promotion, studies and evaluations; and
- Ensure timely and effective field level implementation and supervision.

Small town/ Municipality will:

- Facilitate the engagement of water and sanitation consumers and civil society on overall management of water and sanitation services particularly the setting of tariffs.

- Ensure that the needs from the consumers are adequately addressed by the concerned institutions.
- Engaging private sector on management of PWSS and sanitation systems.
- Lead programme management and implementation at the town level, through its community-based structures and with assistance from community-based organisations (NGOs/CBOs); and
- Promote self-help construction of household latrines through advocacy and support of capacity building of local artisans.

Private Sector will:

- Undertake civil contractor works and ensure timely execution of all physical infrastructure;
- Carry out the supervision of the civil works; and
- Management of the Piped Water Systems and sanitation systems ensuring meeting the required standards for service provision.

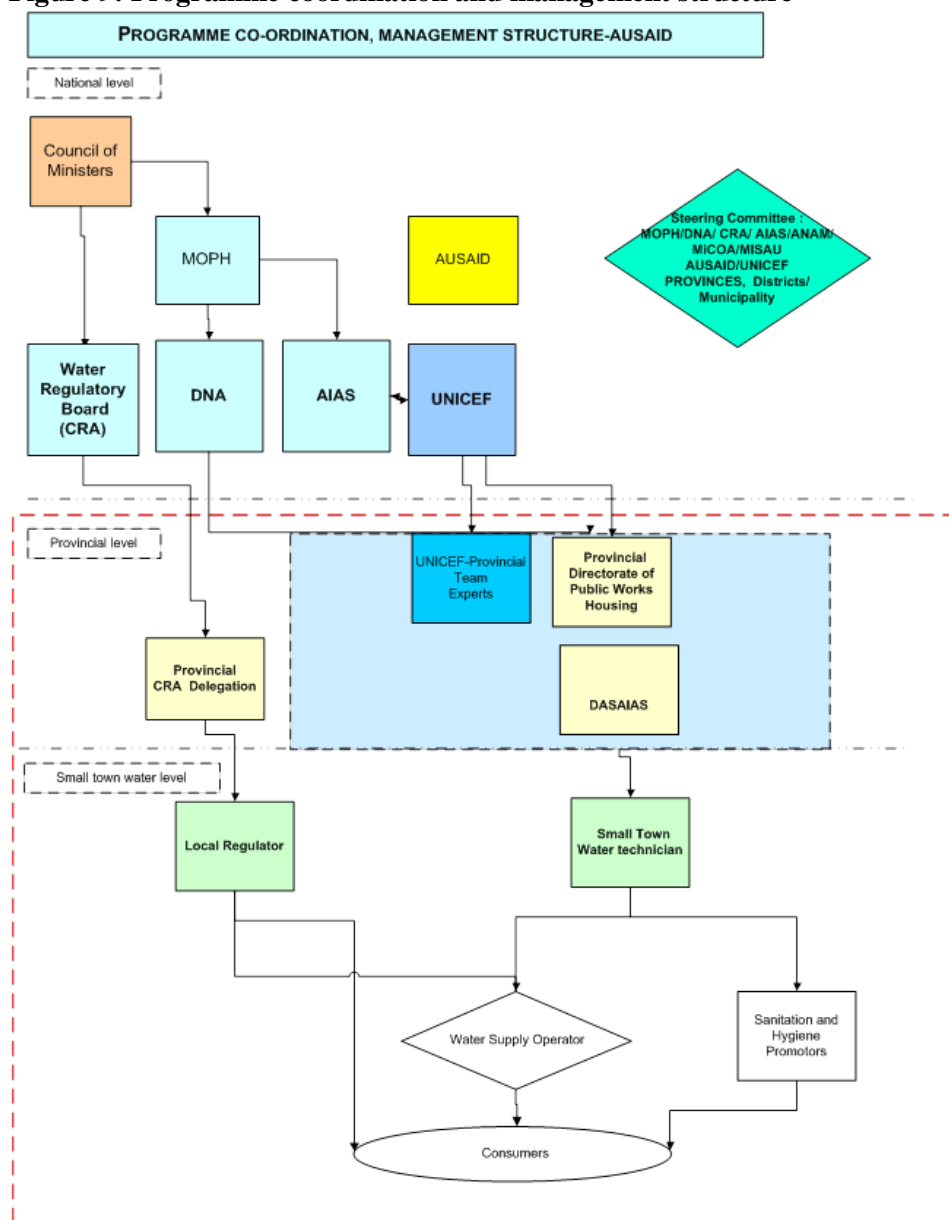
Non-governmental Organization (NGOs) will:

- Provide sanitation promotion - within the built up area of the city septic tanks will be promoted. In the peri-urban areas and informal centres, simple pit latrines will be promoted. The non-governmental organisations will promote the TSSM in targeted small towns.

Communities will:

- Contribute to self-construction of latrines and greywater management
- Contribute to water supply through payment of fees for household water connections and water consumption;
- Decide over the feasible model for standpost management; and
- Lead consultative meeting, agree upon the tariff and rate for sanitation.

Figure 9: Programme coordination and management structure



8. PROGRAMME TEAM AND HUMAN RESOURCE STRATEGY

The programme will be led by the WASH Section Chief (L5) and the core team comprised of: WASH programme manager-(L4), WASH Specialist (NO-D), Sanitation Specialist (L3), WASH Officer (NO-B) and 3 consultants (Water Engineer, Sanitation Expert and Finance/Accountant Officer) all based in Nampula. Additionally, the team will be supported by 2 WASH Specialist at NO-C level (for policy and procurement) and 1 Programme Assistant (GS-7).

The figure 10 below shows the programme staff composition. The detailed terms of reference for each team member can be seen in annex 5.

Figure 10: UNICEF WASH Programme staff structure

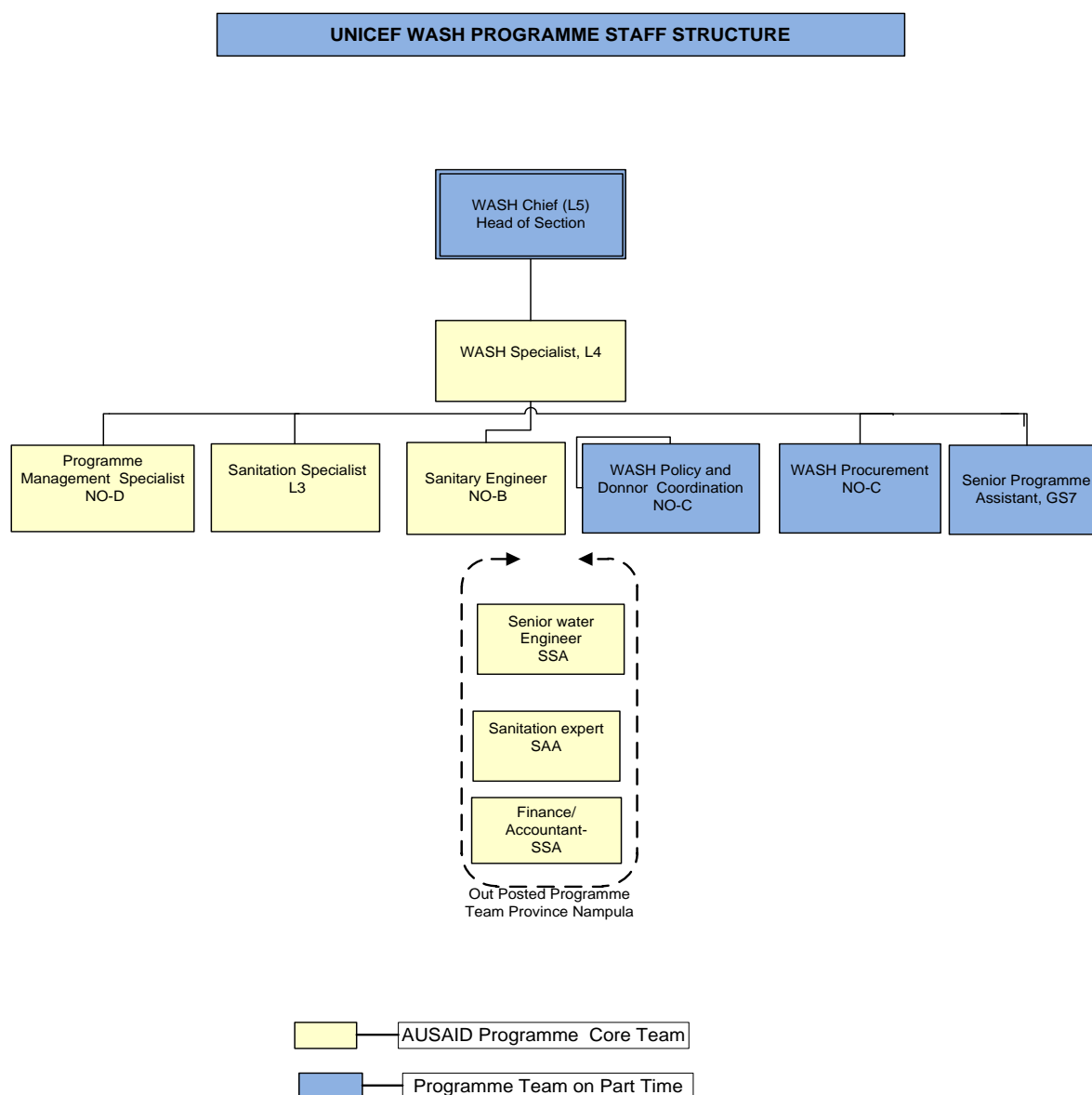


Table 6 below indicates the staff to be recruited to strengthen the government capacity at province and small town levels. The recruitment process will be undertaken in close coordination with the Provincial Permanent Secretary, as a provincial entity responsible for overall human resource management.

Table 6: Staff to be recruited for province and small towns

Partner	Staff	
	University Degree	Medium Technician level
Province		
DPOPH/AIAS	2	0
Small Town		
Rapale	0	1
Monapo	0	1
Ribabue	0	1
Namialo	0	1
Mecuburi	0	1
Total	2	5

The programme proposes to support the payment of salaries, at the Government civil service rate. Financial support will be provided to cover the salaries of the recruited staff for 3 years, with the government paying the salaries for the last 2 years. This will be based on a Government commitment to fully integrate the recruited staff into the Government civil service structure at small town/municipalities and provincial levels in year 4 and 5. By the end of the programme implementation period, all recruited staff will be fully integrated into the Government payroll.

Incentive package:

The current economic developments as well as geographic changes taking place in Mozambique, especially those linked to the extractive industries, are having a strong influence on human resources in the WASH sector. The GoM-GoN-UNICEF *One Million Initiative* has piloted an incentives package as part of a broader human resource management strategy.

The *One Million Initiative* demonstrated that an incentive package based on performance is a positive strategy to attract and retain qualified staff in the institutions and ensure a sustainable institutional capacity development. This effort is part of a broader pilot implemented in DNA and some provinces (also with support from the Netherlands Embassy) to pilot performance based incentives packages (including top-ups on salary, housing and communication subsidies). The table below outlines the concept of the incentives package that is also incorporated into the current Programme proposal.

Table 7: Incentive package for government staff

		Contractually provided		Non-contractual/intangible
		Monetary	In Kind	
Current rewards	Base rewards	1. Base wage/salary	2. Health insurance	3. Job security, prestige, social privileges
	Allowances	4. Transportation, housing, communication, travel, cost of living allowance	5. transportation, housing, travel	6. trips abroad, training, scholarship
Future expectations		7. pension	8. Housing, land etc	9. Reputation, re-employment after retirement

One of the recommendations of the UNICEF/NL Embassy pilot has been to also address more concretely the professional needs of key GoM staff, as also outlined in the Human Resources Management Framework in Figure 8. This includes professional training through short courses, exchange visits and other types of training. The idea is to support, during Programme implementation, the development of the Programme team, improving technical skills, competencies and interaction of the team members, as motivation and recognition in order to enhance the programme performance and ensure that the programme outputs are achieved as well the sustainability of the services.

In order to capitalize on the wealth of knowledge in various technical fields (engineering, mining etc.) of academic institutions, private sector and government in Australia, it is proposed to ascertain a complementary training stream for selected Programme staff, making use existing funding opportunities (through established programmes in Australia). To this end, a specific training package will be developed in collaboration with identified stakeholders in Australia.

9. RISK MANAGEMENT

The main deliverables of this programme are physical items (the intake, the main transmission, water treatment plants, water storages and networks in Mamialo, Rapale, Mecuburi, Monapo and Ribaué) and no-physical items (such as engagement of the private operator, approval of water tariffs, capacity building of local authorities, regulation mechanism and decentralization process). The main categories of risks identified under this programme include: people, management and commercial, project, technical and gender (as indicated in table 8).

Furthermore the lack of skilled staff at provincial level could delay the establishment of AIAS at provincial level and slowdown the programme implementation. The difficulties in recruiting Operators for the SPS with adequate management skills as well as unclear definition of water tariffs could impact on the sustainability of the SPS. Potential corruption in water sector could also increase the costs of water services and impact on the consumers' satisfaction.

Additionally, Mozambique is vulnerable to frequent natural disasters including floods, droughts and cyclones, which may pose risks to project implementation as efforts might be diverted to more pressing emergency response in case needed.

The programme will, therefore, closely monitor trends, throughout the implementation period and establish mechanism for risk planning, identification, analyse and monitoring to ensure that risks are minimized and mitigation actions are timely taken.

Nevertheless, the institutional framework established for small piped systems particularly the establishment of Water Regulatory Council (CRA) and expansion of its mandate, forms a solid basis for mitigation of part of the risks identified above. Additionally, the Government has a strong procurement system that is well acknowledged by all development partners. UNICEF/WASH supported interventions are implemented applying this Government procurement and contract management system. Meanwhile, the National Directorate of Water Affairs (DNA), with support from the International Water and Sanitation Centre (IRC) is developing the national anti-corruption strategy for the water and sanitation sector.

Table 8: Risk Management

Risk number	Risk category	Risk Identified	Risk Impact	Mitigation Measures	Risk Ranking
1	People	Lack of skilled people AIAS at provincial level	Delay establishment of AIAS at provincial level	Implement the programme through DPOPH Nampula	Medium
		Lack of skilled people at provincial and district levels	Slowdown programme implementation	Provincial team allocated by UNICEF	Medium
		Population migration	Demand outstrip the water supply system capacity	The design of infra-structure will forecast the annual growth of population	Low
		Lack of fund to pay salaries for the recruited staff	Recruited staff will leave and institutional sustainability of the systems reduced	Agreement should be signed with Nampula Province to ensure that funds and staff will be integrated in Government payroll	Medium
2	Management and commercial	Difficulty to recruit operator with adequate management skills	The sustainability of the system will not be achieved	Hire and train operator during the construction of the system. Train local authorities on management skills	medium
		Poor performance of the operator	Poor quality of the services	Develop performance indicators and strong monitoring	Medium
		Unclear definition of tariffs and poor management of revenues	The systems will not be self-sustainable	Establishment of carefully setting up tariffs process. Establishment of Banking accounts and regular auditing	High
		Difficulty hire private sector for waste and grey management	Waste and grey not managed properly	Develop a package to attract the private sector and marketing strategy and tariff setting for service in place	Medium
3	Programme	Poor coordination mechanism among the stakeholders	Poor decision mechanism	Establishment of steering committee, clear definition of responsibilities and regular meetings	Medium
		Corruption in water sector	Increased cost of civil works, poor work quality	UNICEF will monitor procurement	Medium

				process and ensure independent supervision engineer contracted	
		Unclear decentralization mechanism to provincial and district	Delay decision making process and poor involvement of local stakeholders	Pre- condition agreement signed with AIAS for the decentralization and capacity building process	High
4	Technical	Changes on the scope of works	Increase budget cost and delay programme implementation or programme activities not completed	Thoroughly designed of the programme and strong supervision of the works	Medium
		Difficult hydrogeological conditions	No water source is available	Implement different alternative water options	Medium
5	Gender	Gender poorly addressed	Gender Unbalanced	50% of programme team are women. Programme design will address the menstrual hygiene management. Strong involvement of women on stand post management. 50% of water committees will be composed by women. Programme drivers will be preferably women	Medium

10. HOW THE PROGRAMME WILL INFLUENCE THE NATIONAL AGENDA AND OTHER DONORS

The programme aims at contributing for the achievement of the national development priorities as articulated in the country development plans. The National Plan for the Reduction of Poverty (2010-2014) focus on reducing social - which includes water and sanitation - and economic disparities across the country and improving the effective participation of civil society and all stakeholders in the national governance process.

In view of influencing national and international agenda for an increased support to water and sanitation sector, the Government of Mozambique represented by the Minister of Finance and Minister of Public Works and Housing, participated in the first “High Level Meeting of the Sanitation and Water for All – HLM SWA” initiative hosted by UNICEF in 2010, in Washington DC. UNICEF at country level and jointly with other sector partners actively supported the preparatory process for Mozambique participation.

The main purpose of the meeting was to stimulate dialogue between ministers of finance and leaders in the sanitation and water sector to increase shared understanding on how social and economic development are promoted by investments in sanitation and water. As such, the HLM committed to, among others,:

- (i) **Advocating and providing the evidence of the benefits** of investing in water and sanitation so that this sector is prioritized in national budgets;
- (ii) **Developing credible national plans** for meeting the water and sanitation MDG targets and ensuring sustainable service delivery;
- (iii) **Providing particular focus to Sanitation** as is one of the most off-track of all the MDG targets particularly for most of African countries;
- (iv) **Providing strong sector leadership** and ensuring coordination and monitoring for implementing national plans, including ensuring active civil society participation.

In this meeting, Mozambique reiterated its commitment from “eThekweni Declaration – 2008 AfricaSan” to devote at least 0.5 per cent of the GDP to sanitation and hygiene. Additionally the country commitments include for an increase of national budget allocation for water and sanitation within the current 5- year national plan.

Through its strategic positioning - as chair of water and sanitation working group within the Human and Social Development Pillar of PARP and UNDAF; current chair of the development partners donor working group; co-chair of water and sanitation group (GAS) - UNICEF will continue advocating for and playing a supportive role to Government and sector partners on addressing key priorities and strategic issues of the sector such water and sanitation in small towns and increasing of the national sanitation coverage.

Additionally and through SWA initiative, of which Mozambique is a member of, UNICEF will continue advocating for an increase of budget allocation to and financial expenditure of the water and sanitation sector. This will be tracked through annual **Budget Briefs** developed by UNICEF in partnership with civil society organization (FDC - Fundação para o Desenvolvimento da Comunidade) which analyse and highlight key data from the budget allocation and expenditure particularly for the social sectors and its alignment with national priorities. The **budget briefs** are widely disseminated among parliamentarians, civil society and Government to support discussions and an informed decision-making in approving the annual State Budget. UNICEF will include AusAID in the mailing list for sharing of the budget briefs.

By supporting both upstream and downstream levels within the UNICEF-GoM Programme of Cooperation, UNICEF will ensure that the positive experiences from AusAid-UNICEF supported small towns for WASH are used to leverage funds for AIAS to undertake rehabilitations and implement sustainable management models in the remaining piped water supply schemes.

ⁱ Government of Mozambique (2008) Boletim de Republica, 1 Seria, No. 51, 4^a Suplemento