



MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

FINAL STATUS REPORT



Mozambique Compact

AS OF JUNE 2014

COMPACT GOAL

The \$506.9 million Compact sought to increase productive capacity, income generation, and poverty reduction in Mozambique's northern provinces by improving rural and urban water and sanitation, roads, land administration, and agriculture. It also addressed key policy reforms and capacity building initiatives. The program focused on the economically lagging northern provinces, home to half of the country's population.



COMPACT AT A GLANCE

Compact Signed	07-13-2007
Entry Into Force	09-22-2008
Compact End Date	09-22-2013
Compact Total	\$506,924,053
Amount Committed	\$447,197,516
Amount Expended	\$447,197,516
Estimated Program Beneficiaries	3,886,131
Estimated Increase in Household Income	\$316,849,671

% OF TOTAL COMPACT	BUDGET (USD MILLIONS)
41%	Water Supply and Sanitation Project \$207.3
35%	Rehabilitation and Construction of Roads Project \$176.3
8%	Land Tenure Project \$40.0
4%	Farmer Income Support Project \$19.2
2%	Monitoring And Evaluation \$8.2
11%	Program Administration And Control \$55.7

■ Project Preparation ■ Project Implementation

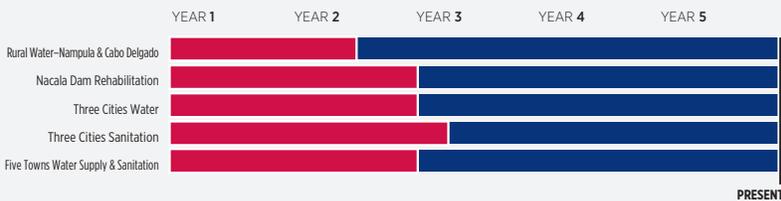
Water Supply and Sanitation Project

PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES ¹
\$207,385,393	\$200,221,661	\$200,221,661

Provide technical assistance and capacity building; rehabilitate/expand the water supply systems in urban areas; rehabilitate/expand municipal drainage systems, one dam, and construct rural boreholes (water access points).

Projected Long-Term Results (Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
780,908	\$143,633,679



PROJECTED RESULTS BY END OF COMPACT

Water consumption in rural areas increased from 17.2 liters to 19.5 liters per day. 23.4% of the rural population in intervention areas have access to improved water sources.

PROGRESS TO DATE

Nacala Dam, Nampula Drainage and Quelimane Drainage were completed by Compact End Date and Nampula and Mocuba Water Supply projects were completed soon after. Nacala Water Supply was not completed but will be finished by the Government of Mozambique. 614 boreholes were completed under the Rural Water Activity surpassing Compact target. AIAS completed a national master plan and two autonomous municipal sanitation companies are being created.

PROJECT ACHIEVEMENTS

MCC formed a strategic partnership with the World Bank (WB) to merge the MCC's funding with the WB's institutional and policy knowledge and its resource mobilization network. Accordingly, the WB focused its financial/institutional resources on supporting the newly created entity (AIAS) for the management of water supply and sanitation in secondary cities, complementing the MCC-funded infrastructure improvements in those locations.

Rehabilitation and Construction of Roads Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES ¹		
	\$176,307,480	\$136,802,301	\$136,802,301		
Increase access to productive resources and markets while reducing associated transport costs through rehabilitation and/or widening of strategic portions of the N1 National Highway and provision of technical assistance.					
	Projected Long-Term Results (Up to 20 years)	ESTIMATED BENEFICIARIES 1,237,734	ESTIMATED INCREASE IN HOUSEHOLD INCOME \$51,307,308	PROJECTED RESULTS BY END OF COMPACT Namialo-Rio Lúrio Road average annual daily traffic volume is anticipated to increase from 622 to 720 vehicles per day. Rio-Ligonha-Nampula Road average annual traffic is anticipated to increase from 4,598 to 5,477 vehicles per day.	PROGRESS TO DATE Work on the three Compact roads was completed using Government of Mozambique funds following the Compact End Date, with two segments of the 149 km Rio Lurio - Namialo Road taken over by the Government in December 2013 while the 103 km Rio Ligonha - Nampula Road was taken over in January 2014.

Land Tenure Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES ¹		
	\$40,068,307	\$39,466,421	\$39,466,421		
Establish efficient and secure land access for households, communities, and investors by supporting National Policy Monitoring, Land Administration Capacity Building, and Site Specific Facilitation of Land Access.					
	Projected Long-Term Results (Up to 20 years)	ESTIMATED BENEFICIARIES 316,541	ESTIMATED INCREASE IN HOUSEHOLD INCOME \$34,400,000	PROJECTED RESULTS BY END OF COMPACT The Compact will set in place an overall land strategy and a modern land administration system that emphasizes client service, utilizes technology, and improves financial and human resource capacity.	PROGRESS TO DATE As part of land tenure regularization activities, 188,423 urban cadastral parcels created out of a target of 140,000 (135%) and 10,341 rural cadastral parcels created over a target of 6,237 (166%). Issuance of land use titles to parcel holders continues.

Farmer Income Support Project	PROJECT COST \$19,250,117	TOTAL CONTRACT COMMITMENTS \$18,857,349	TOTAL PROJECT EXPENDITURES [†] \$18,857,349						
<p>Control spread of Coconut Lethal Yellowing Disease (CLYD) and restore income through the introduction of disease-resistant coconut variety while expanding farmers' productive capacity. Activities include the rehabilitation of endemic areas affected by CLYD; control of CLYD in epidemic areas; and introduction of cash crops and market access support.</p>									
<p>Projected Long-Term Results (Up to 20 years)</p> <table border="1"> <thead> <tr> <th data-bbox="191 569 354 590">ESTIMATED BENEFICIARIES</th> <th data-bbox="412 554 553 590">ESTIMATED INCREASE IN HOUSEHOLD INCOME</th> </tr> </thead> <tbody> <tr> <td data-bbox="228 615 315 642">534,044</td> <td data-bbox="418 615 547 642">\$56,323,875</td> </tr> </tbody> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	534,044	\$56,323,875	<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>Smallholders will be able to control CLYD on their land, recover income lost as a result of the disease, and diversify their income streams through alternative cash crop production and improved farming practices.</p>	<p>PROGRESS TO DATE</p> <p>In Zambezia and Nampula provinces 600,000 diseased trees covering 8,000 hectares have been destroyed, while 782,609 disease resistant seedlings have been planted. 28,830 farmers have been trained in coconut planting and post-planting care, 15,607 have been trained in coconut pest and disease surveillance and control and 8,958 farmers have been trained in alternative crop production.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>The 32% adoption rate for farmers trained in planting and post-planting care has led to a 76% survival rate for disease resistant seedlings. The 44% adoption rate for farmers trained in pest and disease surveillance and control has decreased the disease incidence rate in FISP intervention areas from over 5% (2010) to less than 1% (project end). The 38% adoption rate for alternative crop production has put 7,686 hectares under production.</p>		
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME								
534,044	\$56,323,875								

The Mozambique Compact infrastructure projects were re-scoped due to budget increases. Instead of investing in four road segments, the Compact invested in two roads representing a total of 252 km instead of 491 km. In addition, the Water Supply and Sanitation Project was re-scoped due to financing constraints, resulting in investment in three, instead of six, water supply and two, instead of six, sanitation activities.

[†]Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.