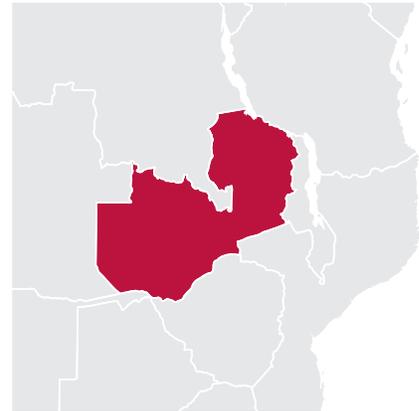




**COMPACT GOAL**

This Compact aims to expand and improve the reliability of water supply, sanitation, and drainage services in select urban and peri-urban areas of the capital city of Lusaka with the objective of decreasing the incidence of water-related diseases, generating time savings for households and businesses, and reducing non-revenue water in the water supply network.



**COMPACT AT A GLANCE**

Compact Signed	<b>05-10-2012</b>
Entry Into Force	<b>11-15-2013</b>
Compact End Date	<b>11-15-2018</b>
Compact Total	<b>\$354,757,640</b>
Amount Committed	<b>\$22,148,431</b>
Amount Expended	<b>\$16,243,562</b>
Estimated Program Beneficiaries	<b>1,230,413</b>
Estimated Increase in Household Income	<b>\$283,323,389</b>

	<b>% OF TOTAL COMPACT</b>	<b>BUDGET (USD MILLIONS)</b>
<b>Infrastructure Activity</b>	<b>80%</b>	<b>\$283.2</b>
<b>Institutional Strengthening Activity</b>	<b>8%</b>	<b>\$26.9</b>
<b>Program Administration and Audit</b>	<b>11%</b>	<b>\$38.8</b>
<b>Monitoring and Evaluation</b>	<b>2%</b>	<b>\$5.8</b>

■ Project Preparation    ■ Project Implementation

<b>Infrastructure Activity</b>	<b>PROJECT COST</b>	<b>TOTAL CONTRACT COMMITMENTS*</b>	<b>TOTAL PROJECT EXPENDITURES**</b>																																													
	<b>\$283,200,000</b>	<b>\$10,465,069</b>	<b>\$7,946,410</b>																																													
<p>This activity supports infrastructure managed by Lusaka Water and Sewerage Company (LWSC) and Lusaka City Council (LCC). A key focus is rehabilitation of Lusaka's water supply network, including reducing non-revenue water. It will expand portions of the city's water supply network; rehabilitate and expand portions of the sewer networks; and improve drainage infrastructure.</p> <p><b>Projected Long-Term Results</b> (Up to 20 years)</p> <table border="1"> <tr> <td>ESTIMATED BENEFICIARIES</td> <td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td style="text-align: center;"><b>1,230,413</b></td> <td style="text-align: center;"><b>\$283,323,389</b></td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	<b>1,230,413</b>	<b>\$283,323,389</b>	<table border="1"> <thead> <tr> <th></th> <th>YEAR 1</th> <th>YEAR 2</th> <th>YEAR 3</th> <th>YEAR 4</th> <th>YEAR 5</th> </tr> </thead> <tbody> <tr> <td>Core Water Network Rehab</td> <td style="background-color: red;">█</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Chelston Branch Expansion</td> <td style="background-color: red;">█</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Sewer-shed Expansion &amp; Upgrade</td> <td style="background-color: red;">█</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Central Branch Extension</td> <td style="background-color: red;">█</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bombay Drain Improvement</td> <td style="background-color: red;">█</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p style="text-align: center;">PRESENT</p>		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Core Water Network Rehab	█					Chelston Branch Expansion	█					Sewer-shed Expansion & Upgrade	█					Central Branch Extension	█					Bombay Drain Improvement	█					<table border="1"> <thead> <tr> <th>PROJECTED RESULTS BY END OF COMPACT</th> <th>PROGRESS TO DATE</th> <th>PROJECT ACHIEVEMENTS</th> </tr> </thead> <tbody> <tr> <td>Increase in the number of households with access to improved water supply to 16,790. A drop in the percentage of non-revenue water by Lusaka Water and Sewerage Company from 48% to 25%. A decrease in the incidence of infectious diarrhea from 13.8% to 9.7% and reduction in time spent gathering treated water by women and children of 31.6 million hours annually.</td> <td>Designs are complete. Invitations for Bids and Requests for Proposals are in process of being launched. Procurements for works, project management services and construction supervision are underway.</td> <td>The government has installed more than 200 pre-paid water meters in its institutions and agencies, and settled outstanding arrears with LWSC, among other key policy achievements.</td> </tr> </tbody> </table>	PROJECTED RESULTS BY END OF COMPACT	PROGRESS TO DATE	PROJECT ACHIEVEMENTS	Increase in the number of households with access to improved water supply to 16,790. A drop in the percentage of non-revenue water by Lusaka Water and Sewerage Company from 48% to 25%. A decrease in the incidence of infectious diarrhea from 13.8% to 9.7% and reduction in time spent gathering treated water by women and children of 31.6 million hours annually.	Designs are complete. Invitations for Bids and Requests for Proposals are in process of being launched. Procurements for works, project management services and construction supervision are underway.	The government has installed more than 200 pre-paid water meters in its institutions and agencies, and settled outstanding arrears with LWSC, among other key policy achievements.
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Institutional Strengthening Activity	PROJECT COST \$26,900,000	TOTAL CONTRACT COMMITMENTS*	TOTAL PROJECT EXPENDITURES†						
<p>This activity will provide technical assistance to LWSC and LCC to continue ongoing government sector reform efforts designed to improve sector management and sustainability of MCC investments. It will also improve service delivery to the most vulnerable, promoting social and gender inclusion, through institutional capacity building and an innovation grants program.</p>									
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	<p><b>PROJECTED RESULTS BY END OF COMPACT</b></p> <p>Technical assistance should build capacity within Lusaka Water Supply to undertake comprehensive asset management planning and execution, carry out effective environmental management and monitoring, institutionalize and improve gender mainstreaming and conduct effective outreach to ensure pro-poor water sanitation service delivery.</p>	<p><b>PROGRESS TO DATE</b></p> <p>The Innovation Grants Program (IGP) Manager is on board and the IGP Operations Manual is posted on MCA-Zambia's website. Over 100 responses presenting innovative approaches to water supply, sanitation and solid waste management were received at the first call for concept notes in October 2014. Grants for successful proposals are expected to be awarded in the spring of 2015.</p>	<p><b>PROJECT ACHIEVEMENTS</b></p> <p>Engaging with cooperating development partners and the private sector helps build capacity and supports sustainability. The Center for Disease Control (CDC), Water and Sanitation for the Urban Poor (WSUP), and the Public-Private Infrastructure Advisory Facility (PPIAF) are working with accountable entity Millennium Challenge Corporation Zambia, LWSC and LCC to leverage resources in support of improved institutional capacity.</p>						

\*Commitments represent the aggregate of both activities under the compact project. Expenditures represent the aggregate of both activities under the compact project.

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

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