



MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

QUARTERLY STATUS REPORT



Zambia Compact

AS OF DECEMBER 2014

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	05-10-2012
Entry Into Force	11-15-2013
Compact End Date	11-15-2018
Compact Total	\$354,757,640
Amount Committed	\$16,909,428
Amount Expended	\$19,707,186
Estimated Program Beneficiaries	1,230,413
Estimated Increase in Household Income	\$283,323,389

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

■ Project Preparation ■ Project Implementation

Infrastructure Activity

PROJECT COST	TOTAL CONTRACT COMMITMENTS*	TOTAL PROJECT EXPENDITURES**
\$283,200,000	\$4,096,193	\$9,473,914

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.



Projected Long-Term Results
(Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
1,230,413	\$283,323,389

PROJECTED RESULTS BY END OF COMPACT

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.

PROGRESS TO DATE

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.

PROJECT ACHIEVEMENTS

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.

Institutional Strengthening Activity	PROJECT COST	TOTAL CONTRACT COMMITMENTS*					TOTAL PROJECT EXPENDITURES**																																			
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<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>	<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: #c00000;"></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Chelston Branch Expansion</td> <td style="background-color: #c00000;"></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Sewer-shed Expansion & Upgrade</td> <td style="background-color: #c00000;"></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Central Branch Extension</td> <td style="background-color: #c00000;"></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bombay Drain Improvement</td> <td style="background-color: #c00000;"></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>							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					
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*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.