

Zambia: EU support to promote access to clean water and improved sanitation

- EUR 5 million EU investment grant, channeled by the European Investment Bank, from the EU Water Facility Pooling Mechanism, targets investments in peri-urban areas.

The European Investment Bank (EIB) has teamed up with the EU's external action service in a bid to provide clean water and adequate sanitation to citizens in the Zambian Copperbelt Province, bordering on the DRC. The EU grant financing, will help the Mulonga Water and Sewerage Company (MWSC) implement the "Mulonga Peri-Urban Water and Sanitation Action". This initiative is part of the broader Zambia Water and Sanitation (ZWS) project for which in 2013 EIB already provided a EUR 75 million concessional loan for the rehabilitation and expansion of water and wastewater services of MWSC. The overall project will ensure urgently needed improvement to MWSC's water and sanitation services: most of the existing infrastructure is over 50 years old and is therefore struggling to meet growing demand.

"The EIB's longstanding support to water sector on the African continent holds a significant contributing to the UN's Sustainable Development Goals, in particular in peri-urban, low-income areas. The ZWS project, including the EU financed sub-component, is all the more relevant in the Zambian context, at a time where the country has been suffering from the impact of climate change through prolonged drought and severe floods." commented EIB Vice-President **Ambroise Fayolle**. *"The project can have a significant effect on Zambia's development through its impact on health, reduced incidence of water-borne diseases, improved school attendance in the relevant target group, reduced child mortality and increased productivity of the relevant labour force. We believe that positive spill-overs can be expected to virtually all sectors of the economy and the environment."*

The Ambassador of the European Union to Zambia and COMESA, H.E. **Alessandro Mariani**, added that: *"Poor infrastructure – notably limited access to basic water and sanitation services – is a fundamental impediment to unlocking the country's economic and social potential, making the economy more resilient and sharing the gains from growth more broadly and equitably among Zambian citizens. The EU action under the ZWS project is aligned with the EU Agenda for Change's pillar of inclusive and sustainable growth for human development. The EU-EIB financing package – comprising a EUR 75 million investment loan, a EUR 6 million technical assistance grant and a EUR 5 million investment grant – accounts for 55% of total project cost, which also includes a 50 million AFD loan. This efficient use of EU grants and EIB concessional loans – like in the road and energy sectors – is crucial in the Zambian macro-economic context."*

The Minister of Finance, Hon. **Margaret Mwanakatwe**, highlighted that: *"The project is fully consistent with the Zambian Vision 2030 that sets the targets of 100% access to clean water provision by 2030."* She also stressed

that: *"The Copperbelt Region is the second most populous region of Zambia, with around two million people, out of which 60% is estimated to live in low-income, peri-urban areas, where access to safe water remains typically below 40%. The entire project is expected to benefit 350,000 people in total, most of which will gain access to clean water for the first time. "Government welcomes the EU-EIB initiative as the project underscores its continued commitment to ensuring the socio-economic welfare of the Zambian people especially in light of the cholera outbreaks that have impacted Zambia in the past few years."*

MWSC's CEO, **Kanyembo Ndhlovu** said: *"We thank the EIB and the EU for their continuous support in the past nine years, both in terms of funding as well as their advice. The ZWS project is the result from a collaboration that started in 2010, using funds from the EU-EIB ACP Water Project Preparation Facility and the EIB. The ongoing technical assistance, which the EIB channels to us in support of project implementation, will further build local capacity. The sub-component financed by the EU grant will include working with local community groups and non-governmental bodies to provide water kiosks, new sanitation facilities and piped water connections. The project will generate significant local employment. Ultimately, it will ensure MWSC's ability to provide improved core water and sanitation services to a broader, more inclusive customer base in a sustainable manner."*