Monitoring WASH contracts in Mozambique

Triggering transparency in the WASH sector

WASHCost

Mozambique

The water, sanitation and hygiene (WASH) sector has limited collective memory of costs and commitments.
In addressing that, we saw that publication of simple contract data triggered a vigorous discussion on unit costs.
This data is now being used in budgeting and planning. It marks a step forward in transparency, with more to come.

WHAT WE ARE DOING

1 INTRODUCTION

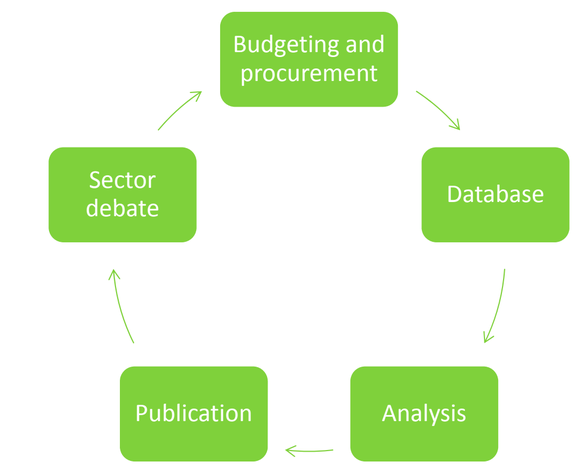
Objectives:

To *monitor all WASH sector contracts in order to obtain realistic cost ranges and assist future budgeting and procurement.*

Timing, scope and partners:

Since 2009, more than 700 contracts have been captured, some going back to 2003. The data is hosted by the rural water department at the National Water Directorate DNA (*Direcção Nacional de Água*) and is integrated into the National Information System for Water and Sanitation SINAS (*Sistema de Informação Nacional de Água e Saneamento*). Data is fed back to national and provincial partners. Currently, most information is on rural point water sources (boreholes and shallow wells), but data is expanding to small water systems and sanitation. Water point data is already being used by DNA in provincial planning and budgeting.

2 METHODOLOGY



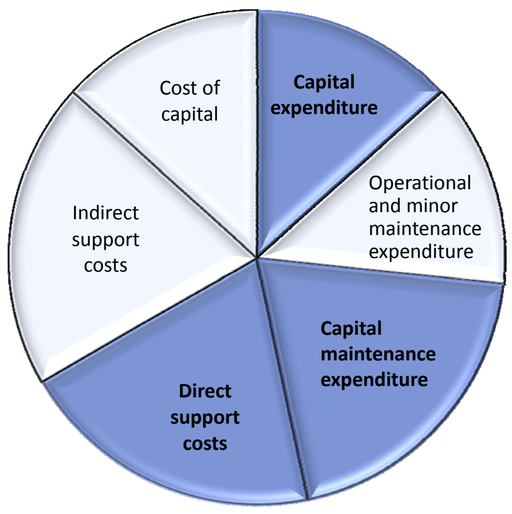
Using existing governmental structures, key parameters on each contract are stored in a simple Excel database. After analysis this is fed back to the sector to be used in the next round of budgeting and procurement. This data is currently being published twice a year.

Key parameters:

- Objective of contract
- Location, date
- Contract partners (client & contractor)
- Quantities, contract amount

3 LIFE CYCLE COST APPROACH

This gives us the three cost components (in bold) out of the six that WASHCost is collecting



Capital expenditure (CapEx): hardware and software

Operational and minor maintenance expenditure (OpEx)

Capital maintenance expenditure (CapManEx) – rehabilitation, replacement

Expenditure on direct support – post construction activities by district staff

Expenditure on indirect support – macro level planning and policy formulation

Costs of capital – interest on loans etc.

4 What we can show now

- Cost per cost component
- Cost per region
- Cost per person
- Cost per contractor
- Cost per funder
- Current cost over time
- Identify outliers
- A transparency & accountability tool

What we are working on

- Cost upon completion of contract
- Cost for sanitation and small water systems
- Cost per bill of quantity (cost drivers)
- Cost of Capital (CoC)
- Operation and maintenance cost (OpEx)
- Improved access & sharing
- Improved functionality and ease of use

Contact

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Download publications and database on www.washcost.info/Mozambique

Current values USD calculated using GDP deflator and Exchange 1 USD = 30 meticais

EXTRACTS FROM WHAT WE HAVE FOUND

5 Capital Hardware Expenditure for Rural Water 2011

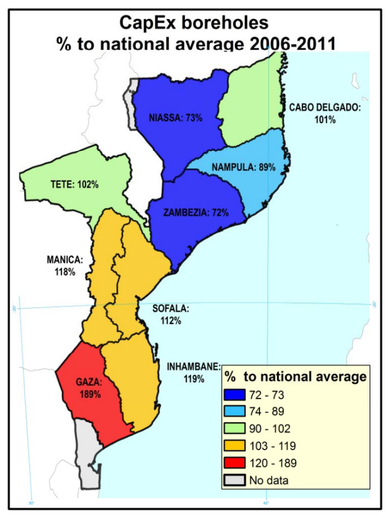
CapEx construction costs have been captured for 144 contracts, representing 4036 boreholes (since 2006). All costs are brought to current 2011 values

Example of regional trends

Large data sets, allow budgeting per region. The depth of boreholes explains part, but not all, of the variance.

Province	Average USD 2011	n	Typical depths
Gaza	16,326	93	55
Inhambane	10,244	126	41
Manica	10,205	402	43
Sofala	9,693	682	31
Tete	8,849	583	37
Cabo Delgado	8,728	537	54
Nampula	7,709	961	40
Niassa	6,288	612	31
	8,641	**4036**	

Depth data courtesy WSP

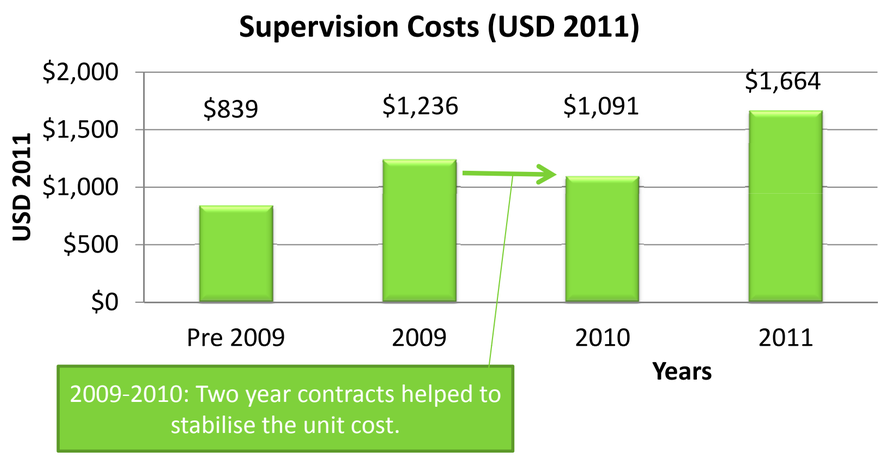


6 Capital Software Expenditure for Point Water Sources

Supervision of construction is part of the capital cost (CapEx Software). Data is shown for 116 contracts for 3890 boreholes and shallow wells, some dating back to 2003.

Example of analysis over time

Converting costs from different years to **current** values allows discussion on cost trends and the impact of changes in procurement over time



7 Capital Maintenance Expenditure for Point Water Sources

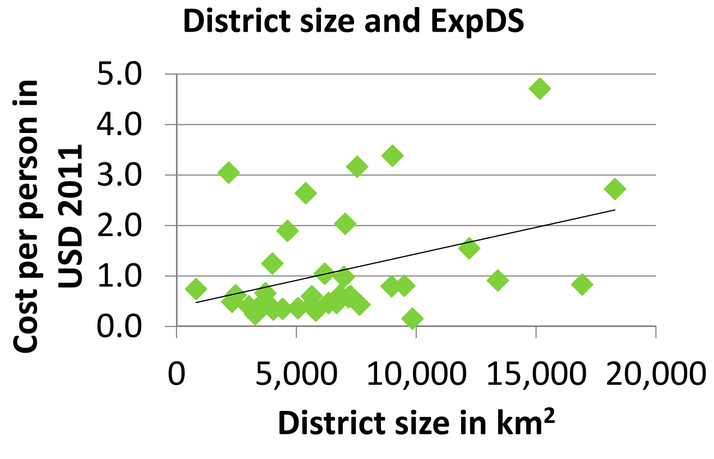
Rehabilitation of boreholes (CapManEx) is commissioned through provincial or district contracts. One of the things we looked was whether costs were influenced by lot size. This was significant for CapEx, but not for CapManEx

Example of analysis

Being able to plot unit rates versus variables such as lot size (number of water points in a contract), helps to identify trends and extreme values and to establish typical cost ranges.

8 Expenditure on Direct Support

Direct support (ExpDS) is organised through district wide contracts. A company or organisation is contracted to do all the mobilisation, awareness raising and post construction support for Water Sanitation and Hygiene for a year. All contracts of this type have been captured (94 contracts covering 35 districts in the period 2008-2011).



Example: Direct support cost per person

The average cost is US$ 1.1 per person per year, and the median is US$ 0.6. Further analysis shows that district size (thus distance) influences per person costs. A three times larger district has roughly double the costs.