



2018

ANNUAL REPORT

Support to Uplift
Community
Development



A vocational course at the new KMAD-funded Technical School

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HIGHLIGHTS

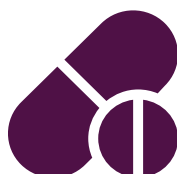
KMAD'S THREE AREAS OF FOCUS:

Livelihoods & Economic Development



KMAD invested 2,610,000 Mts (US\$43,500) in economic development projects in 2018

Healthcare Development



KMAD constructed a new pharmacy in 2018 at the Mutiticoma health clinic and handed it over to District Authorities

Education Development



In 2018 KMAD concluded the construction of two new primary classroom blocks in the Tibane and Topuito villages



At the end of 2018, 43 projects were in operation, directly benefitting 171 people, including 58 women



Over 19,500 people attended consultations at the Mutiticoma health clinic, representing a 30% increase vs 2017



KMAD funded a series of courses open to community members at the new Technical School, on topics such as construction and welding

TOTAL KMAD EXPENDITURE OF US\$1.3M IN 2018

SUMMARY

The Kenmare Moma Development Association (“KMAD”) is a not-for-profit development organisation, which was established in 2004 to implement development programmes in the host communities of the Moma Titanium Minerals Mine (“Moma” or the “Mine”) in north-east Mozambique, which is owned and operated by Kenmare Resources plc (“Kenmare” or the “Company”). KMAD’s initiatives have three key focuses: livelihoods and economic development, healthcare development and education development.

This report describes the activities implemented by KMAD in 2018, which was the final year of the current strategic plan (“SP”) (KMAD’s 2016–2018 SP). In addition to providing a detailed review of KMAD’s 2018 activities, this report references the achievements and challenges faced during the SP’s overall implementation.

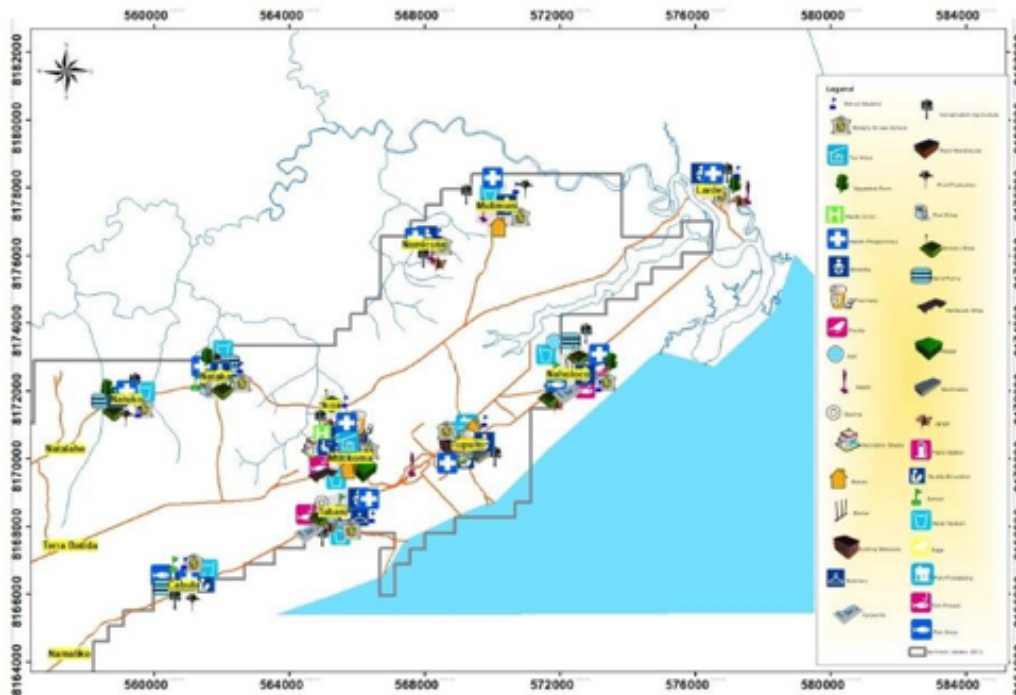
The 2018 activity plan was drafted by KMAD and approved by the monitoring forum, which consists of members of the Provincial Assembly, Provincial Directorate of Mineral Resources and Energy and the District Government, in addition to local community representatives and civil society organizations. The monitoring forum was created at the beginning of the 2016–2018 SP with the objective of increasing the transparency and inclusivity of KMAD’s activities.

In 2018 KMAD completed 96% of its planned activities, compared to 76% in 2017. KMAD’s expenditure totalled US\$1.3 million during the year. A summary of its activities in each of its three areas of focus are as follows:

- **Livelihoods and Economic Development** – in 2018, KMAD supported seven new projects in its host communities, including a fishing equipment wholesaler, a carpentry workshop and a boat motor repair shop. At the end of 2018, there were 43 small-scale business projects supported by KMAD, which directly benefit a total of 171 project owners and by extension their families and employees. The Conservation Agriculture (“CA”) project continued in 2018 with the objective of transferring skills to local farmers that will enable them to increase their productivity, reduce crop disease and grow crops that were previously not viable in the area.
- **Healthcare development** – In 2018 KMAD constructed a pharmacy in the Mutitcoma health centre and officially handed it over to the District health authorities. Over 19,500 people attended consultations at the clinic, which was built by KMAD, representing a 30% increase compared to 2017. One of the primary reasons for attendance was malaria testing, with approximately 11,000 people tested, a 24% increase compared to 2017. More than 16,000 anti-mosquito bed nets were also distributed to host communities. Over 4,600 women attended the clinic for maternity care and family planning and 801 babies were born in the maternity ward.
- **Education development** – In 2017 KMAD completed the construction of a technical school, including classrooms, toilet facilities, teachers’ housing and a security post. In 2018 KMAD financed a series of courses open to local community members on topics such as construction, mechanics and welding. Separately, KMAD concluded the construction of two new primary classroom blocks in the Tibane and Topuito villages. KMAD also contracted a Mozambican NGO, Facilidade, to undertake a pilot programme to improve the quality of primary education in the locality, which yielded encouraging results.

1. OVERVIEW OF KMAD AND ITS FUNCTIONING

1.1 KMAD Target Areas in 2018



1.2 KMAD's Rationale

KMAD's initiatives have three key focuses:

1.2.1 Livelihoods & Economic Development

KMAD's first focus is Livelihoods and Economic Development. KMAD supports local communities by funding small businesses and providing training for the business owners. The sustainability of the proposed businesses is assessed by a forum composed of local leaders and KMAD representatives. In addition to these businesses, KMAD also funds business projects that can procure supplies for the various departments at the Mine as Kenmare is committed to using local suppliers where possible.

With this line of funding, KMAD assists its host communities in maximising the economic opportunities that arise from the presence of the Mine and, in some situations, also reduce the Mine's operating costs. Both types of business funding include training in commerce and management for the business owners, as well as technical skills, where required. Continuous monitoring and support are provided to the business owners, even after the loan has been repaid.

1.2.2 Healthcare Development

KMAD's second focus is healthcare development, with an emphasis on strengthening preventative education in our host communities. Throughout the year education and awareness sessions were hosted by health volunteers, focusing on malaria prevention and treatment, HIV and AIDS testing and Anti-Retroviral Treatment (ARVT). Education sessions were also hosted by local midwives, focusing on nutrition for children and pregnant women and the advantages of hospital/clinic births, in comparison to home births, in preventing child and mother mortality.

1.2.3 Education Development

KMAD's third focus is education development. KMAD seeks to improve the quality of local education, firstly by improving the existing educational infrastructure, and secondly by investing in capacity building of teachers. KMAD also provides school materials and bursaries for further education that otherwise don't exist in the Topuito area.

1.3 Organisation

KMAD Membership

The KMAD General Assembly consists of nine senior Kenmare employees.

Operation

KMAD activities are supervised by the Kenmare Country Manager in co-operation with the KMAD Coordinator, who is responsible for the day-to-day management of KMAD's activities, together with six field staff. In order to drive infrastructure development, in 2018 KMAD hired an architect as construction supervisor and with the responsibility of assisting the Coordinator on infrastructure design. The Kenmare Corporate Affairs Manager (a member of the Operations Team) also helps to monitor and manage KMAD's activities.

1.4 Sources of Funding

Kenmare provides the majority of KMAD's funding. In the past, additional resources have been obtained through direct support from partner institutions, such as FMO (the Netherlands Development Finance Company), who have provided funds for the technical assistance and capacity-building in the area of health development. Other donations have also been received from Kenmare's Directors and several other individuals who are not connected to Kenmare but who have heard about the positive work being carried out by KMAD. Fundraising events have also been organised by Kenmare personnel in Mozambique and Ireland.

1.5 Implementation Strategies

KMAD pursues three types of implementation strategies:

Direct implementation:

Most of KMAD's activities are implemented directly by KMAD staff, with the assistance of local volunteers and motivators. These are people from KMAD's host communities who assist KMAD in raising awareness of the organisation's initiatives and ensuring that they get local 'buy in'. These initiatives include health and sanitation campaigns, agricultural programmes and small business projects.

Contracted implementation:

KMAD contracts national or provincial organisations to implement certain projects. Working with these organisations leverages their existing organisational capacities and field experience although sometimes ensuring the sustainability of the project is a challenge. These contracts are typically one to two years, which is sometimes not enough time to change the behaviour of a community towards a better practice. As a result, KMAD is reducing its use of this strategy.

Collaborative implementation:

Increasingly, KMAD seeks to develop long-term collaborative relationships with partners in the Topuito area. KMAD is pursuing relationships with NGOs that have a long-term interest in the region, specifically in the District. Collaboration encompasses planning of activities and sharing responsibilities and resources. While such arrangements take considerable time to develop and there are inevitable challenges in coordination, they deliver long-term benefits to the community.

1.6 Communication

KMAD utilises various methods to ensure that local people are aware of its initiatives. Local leaders are trained to deliver information about KMAD and the organisation also uses local radio broadcasts and the quarterly bulletin Izhopari Za Topuito.

1.7 Activities implemented (summary)

The following chart summarizes the implementation status of KMAD's community projects during 2018.

Unfortunately, several KMAD activities were boycotted by local leaders from January to May 2018. This was due to a dispute between community leaders and the District Government regarding recruitment procedures for casual labour at the Mine.

1. Livelihood & Economic Development

Areas/Activities	Expected Outcome	Indicators	Status	Comments
1.1 Funding income generating projects				
1.1.1 Funding community business projects	<ul style="list-style-type: none"> • 10 new small businesses established • Existing projects operating successfully and independently 	<ul style="list-style-type: none"> • Number of businesses funded • Number of beneficiaries • Number of beneficiaries trained 	Underway	Seven community business project proposals were funded: fishing project (motor for a fishing boat) and establishment of a fishing material warehouse in Naholoco, carpentry and fishing project in Tibane, small petrol station and fishing project in Mutiticoma and fish processing project in Topuito. In total there were nine beneficiaries of the funding, all of whom received training. Refresher training will be given after activities have started.
1.1.2 Support for consolidation and strengthening of existing projects	<ul style="list-style-type: none"> • Minimum of three projects supported and/or reactivated. 	<ul style="list-style-type: none"> • Number of projects operating successfully • Number of beneficiaries • Number of beneficiaries trained • Percentage of group's recording successfully the daily data of the business 	Concluded	<p>KMAD financed the expansion of a building materials shop and assisted with the restarting of the Naholoco broiler project through providing funds to buy chicks and feed.</p> <p>During the year, six projects were closed down, namely the petrol shop in Nathaca, the bakery in Topuito, the grocery shop and petrol shop in Tibane, the grocery shop in Cabula and the bakery in Mulimune.</p>
1.1.3 Technical training for existing businesses (plumbers)	<ul style="list-style-type: none"> • At least 10 individuals trained in plumbing • Three individuals equipped with plumbing tools • One plumbing business supported 	<ul style="list-style-type: none"> • Training conducted by INEFP/ Topuito Vocational School • Number of beneficiaries trained • Number of individuals with plumbing tools • Number of businesses supported 	Postponed	Only two plumbers were identified in the area and both already working for contractors. No additional plumbers identified in the villages and therefore no training provided.



One of the calico bag sewing projects supported by K MAD

Areas/Activities	Expected Outcome	Indicators	Status	Comments
1.2 Fishery and agricultural production				
1.2.1 Support fishing associations - cold storage	<ul style="list-style-type: none"> All fishing associations identified Two fishing associations supported with storage equipment 	<ul style="list-style-type: none"> Number of fishing associations Number of fishing associations supported Equipment acquired 	Concluded	Project moved to 1.1.1 funding of community businesses.
1.3 Agricultural production & diversification				
1.3.1 Promote Conservation Agriculture practice	<ul style="list-style-type: none"> 170 individuals practicing CA 	<ul style="list-style-type: none"> Number of farmers applying CA techniques Quantity of products harvested through CA 	Concluded	<p>At the beginning of 2018 the CA programme had 101 farmer participants, each with 0.25ha. Of the 101 farmers, 27 (12 women) are motivators and there are three motivators per village. A total of 512 kgs of seeds were distributed to the farmers who participated in the project. This season the farmers harvested a total of 7,809 kgs of produce: 4,404 kgs of ground nuts, 1,216 kgs of cowpeas, 442 kgs of jugo beans, 1,381 kgs of rice, 200 kgs of pigeon peas and 167 kgs of maize. The CA plots were cultivated alongside plots of identical size and growing identical crops using traditional farming methods. The CA plots yielded 58% more than traditional farming which produced a total of 3,280 kgs.</p> <p>The CA farmers also received a total of 5,000 cassava sticks. In addition to technical assistance and seeds, KMAD awarded prizes to the best producers (solar panel lights, a bicycle and cell phones). T-shirts and hoes were provided to all the farmers. By the end of 2018 (which is the 2018-2019 agricultural season), the programme had 196 farmers registered in the programme (120 existing farmers and 76 new farmers).</p>
1.3.2 Support agriculture activity (seeds and other inputs)	<ul style="list-style-type: none"> 500 kgs of seeds distributed Yield 70% of the seeds planted Yield a total of eight tons per each crop 	<ul style="list-style-type: none"> Quantity of seeds distributed Quantity of product yields 	Concluded	<p>In addition to the seeds distributed under the CA project, 4 kgs of vegetable seeds were distributed to support vegetable producers in Naholoco, Nathuco, Nathaca and Mpaco villages. There were 34 farmers producing vegetables at the beginning of the year. This has increased to 68 at year end. The groups sold a total of 15,190 kgs of different vegetables, generating an income of 888,970Mts (US\$14,816), of which Nathaca produced 8,804 kgs earning 533,520 Mts (US\$8,892), Nathuco had a total of 3,337 Kgs earning 185,490 Mts (US\$3,092) and Naholoco produced 3,049 Kgs earning 169,960 Mts (US\$2,833).</p>



Fishermen on the Larde River

Areas/Activities	Expected Outcome	Indicators	Status	Comments
1.3.3 Promote production of orange fleshed sweet potatoes ("OFSP")	<ul style="list-style-type: none"> Sweet potato multipliers supplying sweet potato vines Sweet potatoes produced and sold in the local markets Families producing sweet potatoes in their machambas 	<ul style="list-style-type: none"> Number of OFSP vines distributed to the producers Number of OFSP vines purchased by the families Number of multipliers supplying the sweet potato vines Quantity of sweet potatoes produced Kg of sweet potatoes sold in local market and to Mine kitchen 	Concluded	A total of 656 kgs of sweet potato branches were distributed to local farmers and schools. However, the majority of the crops were stolen, and it has been decided this activity will be discontinued.
1.3.4 Finance a water pump to a group	<ul style="list-style-type: none"> One small farm pond built Supply one farmer group with a water pump One farmer group producing vegetables 	<ul style="list-style-type: none"> Number of small farm ponds built Quantity of vegetables produced through the farm pond Extension of the farm capacity 	Ongoing	KMAD supplied two solar panel water pumps. One to a Nathaca group and another to the Mpago group. The groups started using the pumps at the end of October. Nathaca has an area of 0.35 ha under cultivation and in 2018 (before acquiring the pump) the group had a total production of 4,260 kgs. This yield will be compared with the 2019 yield. Mpago has 0.5 ha under cultivation and in addition to the pump, KMAD funded the Mpago group with seeds and farming materials valued at 91,653 Mts (US\$1,528).
1.4 Good governance and local capacity support				
1.4.1 Support district consultative councils	<ul style="list-style-type: none"> Support local consultative councils training 	<ul style="list-style-type: none"> Number of training sessions supported Number of participants Support given to the Government 	Concluded	<p>KMAD supported two training workshops: the first was conducted by Livaningo (a national NGO). This covered the identification of development priorities and effective communications. 34 leaders (four women) attended the training.</p> <p>The second training session was conducted by SolMoz (a provincial NGO) on information and communication technologies. 13 leaders were trained on how to use cell phones, Whatsapp and Facebook in order to improve communication and share development activities taking place in their villages. As a result, a Whatsapp group of local leaders, KMAD and District Government was created.</p>
1.4.2 Establish community radio / multimedia centre	<ul style="list-style-type: none"> 1 radio / multimedia centre established Radio volunteers trained 	<ul style="list-style-type: none"> 1 radio / multimedia centre established Radio volunteers trained 	Completed	Larde community radio station was built at a total cost of 3,666,884 Mts (US\$61,115) with the installation of equipment costing a further 3,947,280 Mts (US\$65,688). In December 2018 Larde Radio began broadcasting. 16 volunteers were trained on how to use the equipment and run the radio station.



The Mutitcoma health clinic,
which was constructed by KMAD

Areas/Activities	Expected Outcome	Indicators	Status	Comments
1.4.3 KMAD quarterly feedback sessions (with parties involved on MOU)	<ul style="list-style-type: none"> Funding quarterly monitoring meetings with SCO, Government and communities 	<ul style="list-style-type: none"> Number of sessions organized Number of people attending the meetings 	Ongoing	A total of five meetings were held in 2018, of which three were ordinary sessions and two extraordinary sessions to discuss water issues and KMAD's 2019-2021 SP. An average of 36 people attended the meetings.
1.4.4 Support implementation of the Urban Plan: finance allocation of Technician to monitor the plan implementation process	<ul style="list-style-type: none"> DSPI (District Services for Infrastructures and Planning) allocated one Technician to Topuito Locality KMAD paying salary for the SDPI Technician Urban plan in progress 	<ul style="list-style-type: none"> Number of Technicians allocated; Salary paid for the Technician Urban Plan in place 	Ongoing	One District Technician allocated to Topuito. KMAD paid 12 months' salary.
1.4.5 Support Moma Community Radio	<ul style="list-style-type: none"> Availability of radio signal in Topuito Broadcasting of programmes about KMAD activities and Topuito 	<ul style="list-style-type: none"> Radio signal expanded to Topuito Number of KMAD activities and Topuito programmes on the radio 	Ongoing	A repeater was installed in Topuito to enable Moma radio signal to reach Topuito. A summary of KMAD activities is broadcast twice weekly in Portuguese and the local language. 21 specific programmes were also broadcast on topics such as safety, health education, agriculture, education, the technical school's short courses, malaria and net distribution campaigns.
1.4.6 Support Local Government	<ul style="list-style-type: none"> Material/equipment purchased to support the Locality Assist the implementation of the Locality Plan 	<ul style="list-style-type: none"> Requests received from the Local Government Material/equipment provided to the local Government 	Completed	KMAD supported the Locality and the technicians in Topuito with 1,080 litres of fuel. 13 cell phones were given to the local leaders to improve communications.

2. Health Development

Areas/Activities	Expected Outcome	Indicators	Status	Comments
2.1 Community health awareness support				
2.1.1 Health awareness and education campaigns	<ul style="list-style-type: none"> Healthcare services available for the communities Malaria and other diseases reported Health Clinic with full capacity to treat malaria, and other diseases Pharmacy open and operational 	<ul style="list-style-type: none"> Number of patients seeking health services Number of malaria cases registered in adults and children Number of diarrhoea cases and other transmissible diseases 	Ongoing	<p>In 2017 the clinic received a total of 24,143 people. Of these, 4,636 patients went for maternity consultation and 19,507 for outpatient consultation (7,650 children). Malaria continued to be the main reason people were seeking for treatment, of the 10,967 (6,260 paediatric) tested, 6,212 (4,055 paediatric) tested malaria positive.</p> <p>With regards to other diseases, the clinic reported 1,161 (559 paediatric) adults' cases of fever and 600 (378 paediatric) cases of diarrhoea. No cases of cholera were reported. 67 (14 paediatric) cases of tuberculosis were diagnosed.</p>



A patient receives a consultation from Gildo Nantuto, a general health technician at the Mutiticoma health clinic, which was funded by KMAD

Areas/Activities	Expected Outcome	Indicators	Status	Comments
				In terms of sexually transmitted infections, the clinic tested 1,025 people (699 women), of these 411 patients (232 women) tested positive. In terms of HIV, the clinic tested 5,212 patients (2,892 women) and 428 (248 women) tested positive. Of these 323 people (198 women) started treatment with ARVT.
2.1.2 Training of health volunteers and midwives	<ul style="list-style-type: none"> 32 volunteers and midwives trained in health prevention practices 10 Topuito villages around the Mine aware of preventive practices and habits 	<ul style="list-style-type: none"> Number of community awareness sessions carried out Number of individuals targeted during the sessions Number of individuals referred to the health clinic 	Ongoing	<p>The number of volunteers reduced from 32 to 28 volunteers. One was dismissed and two were given full-time employment with Kenmare.</p> <p>65 sessions were carried out in the health clinic targeting 3,256 people (2,307 women). 239 community sessions were carried out in the communities targeting 3,602 people (2,351 women).</p> <p>The midwives carried out 33 sessions involving 2,242 people (1,702 women) at the health centre. In the villages, 277 group sessions were carried out involving 5,846 people (4,641 women).</p>
2.1.3 Training of one class of 35 nurses with the Health Science Institute	<ul style="list-style-type: none"> A class of 35 nurses trained Reduced waiting time to be attended at health facility 	<ul style="list-style-type: none"> Number of nurses trained Number of nurses allocated in all District Health Centres Increase in number of nurses at Mutitcoma Health Centre 	Ongoing	KMAD granted a bursary for 35 women from the District to do a 30-month course on Mother and Child healthcare. A Memorandum of Understanding ("MOU") between KMAD, the District Government and Avicenna Health Institute based in Nampula, had been signed in 2017. As part of the bursary scheme, the tuition and accommodation fees were paid and each student received a stipend of 6,000 Mts (US\$100) a month. At the end of 2018 there were 27 students benefitting from the bursary.
2.2 Health infrastructure and means				
2.2.1 Construction of a pharmacy at Mutitcoma Health Centre	<ul style="list-style-type: none"> Pharmacy constructed at Mutitcoma Health Centre Medicines are kept in a secure environment 	<ul style="list-style-type: none"> Pharmacy built Medicines are kept and managed in the pharmacy at the Health Centre 	Concluded	A pharmacy was built and furnished. The cost of the pharmacy was approximately 2,400,000 Mts (US\$40,000)
2.2.2 Maintenance of the ambulance	<ul style="list-style-type: none"> Patients are transferred in an appropriate way to referral health units 	<ul style="list-style-type: none"> SDSMAS reallocated ambulance to Mutitcoma Health Centre Ongoing maintenance of the ambulance Number of patients referred benefitting from the ambulance 	Ongoing	KMAD continued to maintain the vehicle, although KMAD advised the Health Directorate that the ambulance was outdated and had to be replaced with a new one.



One of the community water boreholes funded by KMAD

Areas/Activities	Expected Outcome	Indicators	Status	Comments
2.3 Water & sanitation development				
2.3.1 Install small water supply system for Topuito village	<ul style="list-style-type: none"> 1 community with water supply system (Topuito) 	<ul style="list-style-type: none"> System installed Number of water committees trained Number of families using the boreholes to fetch clean water 	Commenced	The works for the installation of Topuito water system commenced in December 2018. 13 taps are to be installed. Work is scheduled to be concluded in February 2019. Work was delayed due to concerns raised by the community with regards to the quality of the water. After testing it was shown that the water to be distributed in the proposed Topuito system was suitable for human consumption, so work has started.
2.3.2 Support sanitary awareness campaigns	<ul style="list-style-type: none"> At least two communities with appropriate waste management practices All water points clean and safe 	<ul style="list-style-type: none"> Number of communities with good waste management practices Number of families with/without house landfills Number of clean and safe water points 	Ongoing	<p>In response to general complaints about water quality, all water sources in the Locality were tested twice by the Government laboratory in Nampula. Most of the water sources did have quality issues, relating to a mixture of coliforms, nitrates and iron. It was agreed that KMAD would work with the District Government to identify an NGO that can train the community on sustainable water treatment practices.</p> <p>During the year, 197 community sanitation campaigns took place involving 4,989 people. Nathaca and Mutitcoma are conducting community-driven sanitation campaigns. KMAD assisted the groups to maintain the Cabula and Nathuco boreholes and Naholoco water system.</p> <p>The water committees in the villages collected 210,510,00 Mts (US\$331,974).</p>

3. Education Development

Areas/Activities	Expected Outcome	Indicators	Status	Comments
3.1 Construction of technical school				
3.1.1 Conclusion of first phase	<ul style="list-style-type: none"> Phase one facilities equipped Electricity line extended to the Technical School site Facilities electrified 	<ul style="list-style-type: none"> Classrooms furnished and workshops fully equipped School ready to start Transformer installed Number of facilities electrified 	Concluded	<p>Installment and furnishing of the Technical School was concluded. All facilities electrified and transformer acquired. Due to lack of budget to start the school, KMAD agreed with the Provincial Direction of Technical training and Larde Government to conduct short-term courses (three months) whilst the school prepares to conduct long-term courses in 2019. KMAD donated 1,885,834Mts (US\$31,430) to fund short-term courses in 2018. 106 people (17 women) were trained - 29 (2 women) on civil works, 40 (12 women) in domestic electricity and 37 (three women) in welding.</p>



A primary school constructed by KMAD

Areas/Activities	Expected Outcome	Indicators	Status	Comments
3.1.2 Construction of technical school (second phase)	<ul style="list-style-type: none"> Decision agreed on facilities to be built in the second phase 	<ul style="list-style-type: none"> Number of facilities according to the agreement 	Commenced	The contract for phase two was signed at the beginning of December 2018. Facilities to be built included a classroom block, housing for teachers, a library and a computer room and an administrative block. The agreement on the facilities for phase two was delayed both due to the delayed start to phase one classes and discussions as to whether it was appropriate to build dormitories as part of phase two. It was decided these should form part of phase three.
3.2 Local schools support project				
3.2.1 Rebuild one school block and rehabilitate the other in Tibane	<ul style="list-style-type: none"> Old school block demolished and new block constructed One new block built A total of eight compartments available: six classrooms, one Directorate room and one teacher's room 	<ul style="list-style-type: none"> Number of classrooms built Number of new blocks built Number of compartments 	Concluded	School completed and given to the community in February. Second building not repaired due to its poor condition. Construction of a new building is included in the KMAD 2019-2021 SP.
3.2.2 School furniture for Tibane	<ul style="list-style-type: none"> 210 desks Six teachers' desks One teachers' room equipped with one table and 15 desks Directorate room equipped with two writing tables and four chairs 	<ul style="list-style-type: none"> Number of pupil benches donated Number of teachers' desks donated Number of tables and desks provided for the teachers' room Number of writing tables and chairs for the Directorate 	Concluded	140 school benches delivered to Tibane school, plus seven desks and chairs for teachers.
3.2.3 One block of classrooms for Topuito	<ul style="list-style-type: none"> Classroom block constructed 	<ul style="list-style-type: none"> Block built 	Concluded	Construction of Topuito school block with four classrooms has been concluded. School benches and teachers' desks being supplied.
3.2.4 School materials for students and teachers	<ul style="list-style-type: none"> 99% of enrolled pupils benefited of school materials 	<ul style="list-style-type: none"> Percentage of pupils benefiting from school materials 	Concluded	KMAD gave school materials to 100% of the enrolled pupils. 4,328 pupils from grades 1 to 7 received 14,171 exercise books, 2,147 pencils, erasers and sharpeners, 2,181 pens, 1,611 rulers and 510 drawing kits. In addition, KMAD distributed materials (128 exercises books and pens and 64 rulers) to 46 teachers.
3.2.5 Education capacity building with an NGO	<ul style="list-style-type: none"> Identified an NGO to partner in education improvement programme 	<ul style="list-style-type: none"> NGO identified Partnership established Education programme running in Topuito Locality 	Ongoing	One NGO identified to implement education development project, which is aimed to improve the numeracy and literacy skills of the pupils. Contract was signed in a pilot phase. The NGO trained a total of 15 teachers and heads of schools. The organization also pre-assessed 292 children from grade 4 and worked with the same group to improve the writing, reading and calculation skills of these students.



A vocational class at the new Technical School, which was built by KMAD

Areas/Activities	Expected Outcome	Indicators	Status	Comments
3.3 Scholarship project				
3.3.1 Secondary school Scholarships	<ul style="list-style-type: none"> • 24 new scholarships granted to local students for secondary education • Scholarships granted to local people for technical training 	<ul style="list-style-type: none"> • Number of students benefitting from KMAD bursary • Number of students who passed • Number of drop-outs • Support given to boarding houses 	Ongoing	<p>KMAD concluded the year with 90 students (15 girls) benefitting from the scholarship grant. Of these, 86 (14 girls) are in Moma Secondary School and four (one girl) in Carapira school.</p> <p>For 2019, 16 new scholarships were granted (10 girls). The number of scholarships reduced (from 24 to 16) due to the capacity of the Moma boarding house. In order to address this challenge, the District Director of Education committed to contact Angoche Secondary School and boarding house to see if they can accommodate students from Topuito.</p>
3.3.2 Scholarships for further education	<ul style="list-style-type: none"> • University bursary programme designed 	<ul style="list-style-type: none"> • At least two universities identified and necessary data collected • Feedback on courses received from the beneficiaries • University Bursary Programme formulated 	Commenced	<p>KMAD concluded the 2018 university bursary programme and in September 2018 opened the application process for 2019. At time of writing this report, 17 students (two girls) had applied for the 2019 bursary scheme to university level.</p>
3.4 Sport development and cultural support				
3.4.1 Support local football championship	<ul style="list-style-type: none"> • Local male and female soccer competition • Capacity building of the local sport committee 	<ul style="list-style-type: none"> • Number of teams enrolled in the local championship • Number of training sessions funded by KMAD 	Commenced	<p>10 male soccer teams enrolled in the championship.</p> <p>No training funded.</p> <p>KMAD supported the soccer committee with 12 balls. Prizes to be supported from the beginning of 2019.</p>
3.4.2 Prizes for District championship	<ul style="list-style-type: none"> • Competitive soccer league established in Larde • Promotion of sports activities 	<ul style="list-style-type: none"> • Three winners in each soccer championship (male and female) received prizes, either teams or individuals. 	Commenced	<p>KMAD supported the District soccer committee with computer, balls and other materials.</p>



A vocational class at the new Technical School, which was built by K MAD

4. General

Areas/Activities	Expected Outcome	Indicators	Status	Comments
4.1.1 Poultry project	<ul style="list-style-type: none"> One group supplying chicken to local markets and butcheries 2,200 chicken sold by the end of 2018 in the local markets and local butcheries 	<ul style="list-style-type: none"> Number of chicks purchased Number of chickens produced Number of chickens sold Percentage of chickens lost 	Ongoing	During the year the farmer purchased a total of 900 chicks, lost 45 chicks and sold 578 chickens (balance 277 being sold). Sales till the end of December generated income of 141,500,00 Mts (\$2,353).
4.1.2 Eggs projects	<ul style="list-style-type: none"> One group producing 300 eggs daily 	<ul style="list-style-type: none"> Number of existing hens Number of eggs produced daily/weekly Number of eggs supplied to the Mine kitchen/local market 	Ongoing	The farmer started the year with 498 layers. Over the year 93 layers were lost (dead or sold) and at the end of the year, the farmer purchased an additional 250 layers, closing the year with 655 layers at the farm. In total the farmer sold 135,287 which generated an income of 1,352,870 Mts (US\$22,548).

2. LIVELIHOODS AND ECONOMIC DEVELOPMENT

2.1. Economic Development Projects

In 2018 96 business proposal forms were distributed, 12 per village. The process of funding income generating projects only commenced in the second half of the year, due to the previously described boycotting of KMAD's activities in H1 2018. Isoua village did not receive forms as it was sanctioned due to poor performance on previous projects.

73 proposals were received and seven were approved to receive funding. Namely:

- A fishing project (boat motor) and fishing warehouse in Naholoco village
- Fishing equipment and a petrol station in Mutiticoma
- Carpentry and fishing equipment in Tibane
- Fish processing in Topuito

In total 2,950,000 Mts (US\$49,167) were invested in these projects, of which 340,000 Mts (US\$5,667) were provided by the business owners and 2,610,000 Mts (US\$43,500) by KMAD. These projects directly benefitted nine people and almost all of the beneficiaries of this funding were people who had already worked to establish their business.

In addition, KMAD funded the expansion of a Topuito warehouse with 250,000 Mts (US\$4,167) and supported an egg project to buy an additional 250 chickens, since its existing chickens are reaching their production peak.

The Naholoco broiler project, which KMAD reported last year was struggling to run consistently, has been revitalised after discussions with the owner. She agreed to build a new chicken house and KMAD would provide funds to buy 300 chicks, which were purchased in March.

The Nathaca grocery shop, which was at risk of being closed, was revitalised by the owners, without needing any additional funding from KMAD. Nevertheless, six projects had to be closed, namely the petrol shop in



One of the poultry projects supported by KMAD

Nathaca, the bakery in Topuito, the grocery shop and petrol shop in Tibane, the grocery shop in Cabula and the bakery in Mulimune, due to low sales and disputes between the business owners.

In terms of returns, in total KMAD received repayments of 1,268,605.00 Mts (US\$21,413), which represents 51% of the money invested in 2018. This outperforms KMAD's target of a 30% return. Five projects fully repaid the money lent to them by KMAD, namely Destiny Ida, the Casuarina group from Larde, Native Seeds from Nathuco, the Naholoco grocery shop and the Naholoco salt project.

At year-end 2018, KMAD had a total of 43 projects in operation with 171 direct beneficiaries, including 58 women. Five of these businesses are local suppliers of fruit and vegetables who now provide produce to the Mine's kitchen. In terms of performance, the income generating projects yielded 23,444,939 Mts (US\$390,749), a 23% increase compared to 2017 (18,106,337 Mts). From this amount 4,638,593 Mts (US\$77,309) was paid in salaries and 5,010,177 (US\$83,503) was profit. The table on page 17 summarises the financial performance of each business.

Egg Projects

Topuito farm started to sell its chickens (layers) at the end of 2017 to fund the replacement of the birds. By the end of Q1 2018, the farm had sold 230 layers at 250 Mts each, generating an income of 57,500 Mts (US\$958). KMAD started to assist the farmer in procuring new layers, but in the process the farmer changed his mind and said that he would only buy new layers if KMAD funded the purchase of a grinder for him. KMAD advised the farmer that if he wanted additional funding he would have to apply for it through the established process. The farmer tried to blackmail KMAD and used the funds he had saved for the replacement of the layers on another personal project. At the end of 2018 he had repaired the chicken farm but he had not indicated when he will acquire new layers.

Mutitcoma egg farm, which was established in November 2017, with four beneficiaries (three women), started to show signs of poor performance at the end of Q1 2018. During the monitoring and training of the beneficiaries, KMAD noticed a discrepancy in the production of eggs. In addition, one of the members received 90,000 Mts from the mine kitchen as a payment for products delivered, and did not inform the rest of the group, nor brought the income to the KMAD safe. After investigations and discussions with the four group members and the village leaders it was agreed that the project would be managed by the most active member of the group. Since the start of the project, she had delivered the most consistent production levels and accurate data recording.

KMAD worked closely with the remaining beneficiary and managed to salvage the business. During 2018 the farm produced a total of 135,287 eggs, which generated an income of 1,352,870 Mts (US\$22,548). In December the farmer bought an additional 250 layers to start replacing those that are reaching their production limits. The farmer closed the year with 655 birds.

Poultry Project

The Naholoco broiler project was another of the projects that was at risk of failure. As part of its investigation, KMAD discovered that conflicts within the groups were still prevailing. In an attempt to solve the problem, the project owner proposed to start producing in her own yard and KMAD agreed to fund the chicks if the owner agreed to use her own funds to build the farm.

During 2018 a total of 900 chicks were purchased, 45 chicks died, 578 chickens were sold and 277 were being raised. Competition is growing from other broiler projects so KMAD facilitated a relationship for the farmer with local restaurants to ensure she always has customers. In total the farmer had a turnover of 144,500 Mts (US\$2,408) with 12% profit. This money will be used to improve the conditions of the farmer's household and to invest in the education of her sons.

Sewing Project

In order to improve organisation within the sewing group and to improve working conditions, KMAD agreed to repair their sewing shops or build new ones. New shops are being built for the Cabula and Mutitcoma groups

and repair work is underway for the Tibane group. The groups sold a total of 131,128 calico bags in 2018, generating a revenue of 5,245,120 Mts (US\$87,419). This represented a 25% increase in revenues compared to 2017.

Shops and other income generating projects

The shops and other income generating projects continued to deliver a strong performance in 2018. Calico bag production, the bakery and the shops funded in 2016 and 2017 were particularly robust.

The Casuarina project, which was one of the most successful projects in 2017, decreased its sales in 2018 due to a reduction in the demand for seeds and Casuarina seedlings from Kenmare's rehabilitation department. KMAD is currently in discussions with Kenmare to address this issue and to see how local groups can be further involved in the Mine's rehabilitation programme.

Below is a table that summarizes the income of all small businesses supported by KMAD:

KMAD Supported Income Generating Projects Performance 2018 in US\$												
Project	# Members			Production	Income	Spending	Salaries	L. Payment	Profit	Credit	Bal. Jan -18	Bal. Dec -18
	H	M	T									
Local suppliers financed by KMAD												
Bakery	1	1	2	562,555	42,440	19,757	9,250	3,103	10,330	5368	5,034	1,931
Monoziva Hostel	1	0	1	0	7,084	3,303	1,200	463	2,119	6307	4,289	3,827
Sewing	3	3	6	42,648	28,432	18,265	6,800	0	3,367	0	0	0
Grocery shop	2	1	3	0	9,962	6,715	1,667	0	1,581	0	0	0
Amaral hostel	1	0	1	0	9,119	6,159	1,000	0	1,960	0	0	0
Building materials shop	0	1	1	0	9,583	5,070	1,000	2,117	1,396	5470	4,553	2,436
Food warehouse	1	0	1	0	11,476	7,369	2,000	667	1,440	8333	6,467	5,800
Eggs production	1	3	4	135,287	22,548	11,860	2,317	1,417	6,954	8406	8,406	6,989
Destiny Lda	1	0	1	0	31,023	11,952	15,370	3,668	33	4193	0	0
Fishing project	1	1	2	4,144	6,231	2,370	83	250	3,528	4308	4,308	4,058
Petrol station	1	0	1	8	20	0	0	0	0	6378	6,378	6,378
Carpentry	2	0	2	0	0	0	0	0	0	0	0	0
Fishing project	1	0	1	0	0	0	0	0	0	2500	2,500	2,500
Sewing	3	3	6	45,681	30,454	19,363	7,213	0	3,878	0	0	0
Eggs production	1	1	2	150	867	0	83	0	783	0	0	0
Grocery shop 1	2	0	2	0	14,053	8,521	1,500	358	3,675	3102	718	360
Grocery shop 2	1	0	1	0	10,887	6,921	1,600	867	1,499	2500	1,733	867
Building materials shop	0	1	1	0	13,572	8,786	1,000	2,633	1,153	6358	5,649	3,017
Fish processing			0	788	2,222	587	167	83	1,385	2667	2,667	2,583
Vegetable production	15	5	20	3,337	3,091	0	863	0	2,229	0	0	0
Native seeds project	8	2	10	6,969	6,485	151	4,529	1,195	611	1957	0	0
Grocery shop	0	1	1	0	2,637	1,313	400	292	633	1989	1,764	1,473
Grocery shop 2	1	1	2	0	762	356	179	34	182	1025	910	876
Vegetable production	11	3	14	8,804	8,892	3,001	1,180	0	4,712	0	0	0
Sewing	3	3	6	42,799	28,533	18,172	7,213	0	3,210	0	0	0
Fishing project	2	0	2	455	829	156	200	250	223	2167	2,167	1,917
Native seeds project	3	3	6	492	1,130	78	492	532	464	1957	1,747	1,215
Fish	1	0	1	0	0	0	0	17	-17	992	742	726
Salt plant	1	0	1	0	0	0	0	608	-608	3091	0	0
Grocery shop 1	2	0	2	0	24,873	17,932	1,200	500	5,491	3000	0	0
Carpentry	2	0	2	0	529	271	108	67	0	5256	4,487	4,420
Grocery shop 2	1	0	1	0	13,191	8,553	1,200	1,575	1,862	4167	2,942	1,367
Broiler project	1	1	2	578	2,398	1,593	192	333	280	699	664	330
Vegetable production	1	0	1	3,049	2,833	977	257	118	1,481	1232	1,232	1,113
Fishing project	1	0	1	0	0	0	0	0	0	5833	5,833	5,833
Fish material warehouse	1	0	1	0	0	0	0	0	0	13333	13,333	13,333
Casuarinas	4	10	14	5,936	4,947	500	4,447	0	0	1763	0	0
Vegetable production	1	0	1	0	0	0	0	0	0	1528	1,528	1,528
38	82	44	126		351,101	190,050	74,709	21,143	65,834	115,875	90,050	74,876
Local suppliers not financed by KMAD												
Fish processing	1	0	1	4120	18,718	7,771	500	0	10,447	0	0	0
Fish processing*	0	0	0	3650	8,792	6,913	333	0	1,545	0	0	0
Vegetable production - Farouk	7	3	10	0	0	0	0	0	0	0	0	0
Fruits production Assane	7	4	11	3810	3,183	1,623	648	0	912	0	0	0
Vegetable production - Chabane	8	4	12	5617	5,449	2,329	417	0	2,703	0	0	0
Vegetable production - Wahabi *	0	0	0	925	920	300	167	0	453	0	0	0
Fruit production Lalane	1	0	1	3104	2,587	1,006	536	0	1,045	0	0	0
5	24	11	35		39,648	19,942	2,601	0	17,105	0	0	0
43	106	55	161		390,749	209,992	77,310	21,143	82,939	115875	90,050	74,876

AD direct beneficiaries on the last quarter of the year. Thus on the end of the year they started to be included in the list of direct beneficiaries

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2.2. Agriculture Projects & Livelihoods

KMAD's focus for its agricultural projects in 2018 was to increase the impact of the Conservation Agriculture techniques in order to reduce the negative impacts of drought and the poor soils of Topuito. The area experienced low rainfall in 2018, although there was an increase in rain compared to 2017.

Conservation Agriculture

The CA project continued in 2018 with the objective of transferring skills to local farmers that will enable them to increase their productivity, reduce crop disease and grow crops that were previously not viable in the area. In 2018 participating farmers split their fields in two and cultivated one half using traditional agricultural practices and the other using CA practices, including mulching and recommended crop spacing. 101 farmers prepared their fields and received 512 kilograms of seeds for a variety of crops. As a result, approximately 8,000 kilograms of crops were produced in the CA plots compared to approximately 3,000 kilograms in the areas using traditional methods, demonstrating the increased productivity that can be achieved using the CA approach. By the end of December 2018, 196 farmers had registered to participate in the CA project.

Despite the significantly stronger results from the CA approach, many farmers continued to think that using CA techniques is difficult and labour intensive. In order to motivate the farmers, KMAD implemented a competition whereby the best producers, motivator and trainee received prizes.

The table below shows the results for the 2017/2018 season:

Village	Ground Nuts	Cowpeas	Jugo Beans	Rice	Pigeon Peas	Maize
Cabula	700	120.8	8	0	39	0
Nathaca	740	128	242	0	64	89.5
Nathuco	531.5	38.5	15	0	0	32
Mutiticoma	1169	26	0	0	56	0
Mulimune	391	258	0	0	0	0
Tibane	568.5	145	177.5	0	25.5	45.5
Topulto	30	102.7	0	1041	36	0
Naholoco	304	393.5	0	341	18	0
Total (kgs)	4404	1215.5	442.5	1381	199.5	167

As part of the CA programme, KMAD also distributed 5,000 cassava sticks to the farmers. They agreed that they would harvest and pass on the same number of sticks to new farmers entering the programme at the end of the season. A term of responsibility was signed by each farmer as a way to show their commitment but so far this element of the programme has had limited success. Most of the farmers who received the sticks are not ready to harvest their sticks and are also are not showing a willingness to pass them on. Other farmers had their crops stolen. Theft is a serious issue and has jeopardised a large number of farmers participating in the programme.

Orange Fleshed Sweet Potatoes

The production of orange fleshed sweet potatoes was impacted by the KMAD boycott and the expected mobilization of female farmers was cancelled. The existing farmers demanded materials and uniforms from KMAD to plant the vines so KMAD arranged for the District Directorate of Economic Activities to distribute the vines. In exchange, KMAD agreed to give logistical support to carry the vines to the farmers. Despite this, the project continued to experience problems. The farmers did not plant their vines in the first rains and the rains were not sufficient to yield a good crop. Some of the farmers who had planted their vines on time also had crops stolen from their fields. As a result, KMAD only distributed 56 kilograms of sweet potatoes in 2018 and 600 Kgs was supported by the Government. This represents a 73% decrease compared to 2017.

To avoid losing further vines, KMAD decided to involve the schools in the project. Topuito school planted 220 kilograms of OFSP, Tibane school planted 100 kilograms, Naholoco school planted 75 kilograms and

Mutiticoma school planted 86 kilograms. The Mutiticoma school experienced success with the project, producing 150 kilograms of OFSP. However, the other schools suffered high levels of theft from their fields, with only 30 kilograms harvested in Topuito and 65 kilograms in Tibane.

Vegetable project

2018 was a strong year for the vegetable producers as the discussions between the Mine canteen and local suppliers in late 2017 started to yield results. The farmers are now well organised and their sales and supplies are being coordinated by KMAD.

The vegetable producers started to apply CA techniques in their fields. In 2018 the groups received 4.24 kilograms of seeds of different vegetable crops to motivate them to diversify their production. The beneficiaries produced a total of 14,034 kilograms of different vegetables, generating an income of 754,861 Mts (US\$12,581). This represented a 51% increase in production and a 38% increase in income compared to 2017.

The Naholoco farmers increased their production and started to supply more to local markets than to the Mine canteen. In order to improve the capacity of the local farmers and to reduce the costs of production, KMAD acquired a solar water pump. The pump was donated to the Nathaca Group in October 2018, which has focused on investing its time and resources to increase production. KMAD also funded a beneficiary from Mpago village in the Pilivili locality with seeds and a solar pump. This beneficiary has been part of KMAD's local suppliers and also attended the agro-business training.



Prize giving ceremony for the best CA farmers and a vegetable farm in Naholoco using CA practices



Solar panel pump at vegetable farm



The Mutiticoma health clinic, which was constructed by KMAD

3. HEALTHCARE DEVELOPMENT

3.1. Health Care

Health Clinic

In 2018 KMAD constructed a pharmacy in the Mutiticoma health centre, and officially handed it over to the District health authorities. In 2019 KMAD intends to fund a new ambulance for the local area.

During 2018 a total of 19,507 people (6,559 women) attended the clinic's outpatient department, which represents an increase of 30% compared to 2017. However, the number of women seeking consultations reduced by 1,204. Of these total consultations, 7,651 were paediatric consultations (4,071 for girls).

Malaria continued to be the primary reason people were seeking treatment. Of the 10,977 (5,840 women) people tested, 6,212 (3,253 women) tested positive and from the 6,560 children (3,472 girls) who were submitted for malaria tests, 4,055 (2,056 girls) tested positive.

The community health programme promotes awareness on health issues, hygiene and sanitation, primarily through Group discussions. In May 2018 the management of the community health volunteers from the District Government reverted to KMAD. In 2018 the community volunteers conducted 50 sessions in the health clinic, which were attended by almost 2,500 people, and 197 sessions in the villages, which were attended by over 3,300 people. The topics addressed were water and sanitation, STIs, HIV and malaria prevention. Kenmare also provided 16,782 mosquito nets to 8,391 households.

In 2017 it was determined through a study by a consultant (funded by Kenmare) that local mosquitoes have developed a resistance to the chemicals used during indoor spraying. The larvicide is also not effective due to the vast area it is required to protect and the habits of the local population. As a result, the chemicals used for spraying were changed in March 2018 and the use of larvicide will be discontinued in 2019. This activity falls under the Kenmare operations team's malaria prevention campaign.

With regards to other diseases, the clinic reported 1,161 cases (559 paediatric) of fever and 600 cases (378 paediatric) of diarrhoea. No cases of cholera were reported. 67 cases (14 paediatric) of tuberculosis were also diagnosed.

The clinic tested 1,025 people (699 women) for sexually transmitted diseases and of these, 411 patients (232 women) tested positive. The clinic tested 5,212 patients (2,892 women) for HIV and 428 patients (248 women) tested positive. Of these 323 patients (198 women) started treatment with ARVT.



New pharmacy building and health volunteers during the distribution of anti-mosquito nets.

Mother and child healthcare services

The maternity block received a total of 4,636 patients, of which 1,421 (2017: 938) attended pre-natal consultations and 3,215 (2017: 615) received family planning support. The number of family planning consultations increased in 2018 due to the Mozambique Government's campaign to control the number of births. The number of births in the clinic increased from 729 in 2017 to 801 in 2018, an average of 67 births per month. The number of births in the communities has doubled from 2017, increasing from 4 to 9 births per month.

The midwives continued to host education sessions in KMAD's host communities and in the clinic. They facilitated 33 sessions involving 2,242 people (1,702 women). In the villages, 277 group sessions were conducted involving 5,846 people (4,641 women).

Capacity Building

In 2018 KMAD supported 35 nursing students to commence a training course focused on mother and child healthcare in Nampula. KMAD is funding the students' tuition fees and accommodation and providing a monthly living allowance. All the nurses who complete the course will be allocated to health facilities in the District. In 2019 27 students will enter the second year of the course.

Community Health Awareness

Community volunteers conducted 65 sessions at the health clinic in 2018 involving 3,256 people (2,307 women) and conducted 239 group sessions in the communities targeting 3,602 people (2,351 women). During these sessions, 28 people were referred to the clinic. The main topics covered related to improving sanitation, reducing the risk of diarrhoea, reducing the risk of contracting HIV & AIDS and malaria prevention (with a focus on the correct use of mosquito nets and the need to follow the malaria prescription until the last day). Kenmare also distributed 16,782 anti-mosquito nets to 8,391 households. Each household received two nets.

As part of the capacity building programme and to improve the service delivery by the volunteers, KMAD funded two refresher training programmes, which each lasted for three days. The two topics addressed were malaria prevention and treatment and HIV & AIDS prevention and diseases associated with HIV.

3.2 Water and Sanitation

During the course of 2018 there were a number of complaints about the quality of water from local people. As a result, KMAD contracted the Government's provincial laboratory to collect and analyse water samples from each water source, in collaboration with local leaders and Civil Society organisations. The tests showed that a number of community water sources contained contaminants, principally high levels of coliforms. KMAD,

together with the District Health Services, intends to support training for the local communities in 2019 on how to maintain a clean water supply, both within the local water system and at a household level.

As an interim measure, in December 2018 KMAD contracted a water treatment company to clean the tanks of the water systems of Naholoco, Tibane and Mutiticoma. KMAD also signed a contract to expand the water distribution system in Topuito with the introduction of 13 new taps throughout the village and assisted with the maintenance of boreholes in Cabula and Nathuco and with the Naholoco water system.

The villages continue to contribute money for electricity and the maintenance of the boreholes. The water committees collected 210,510 Mts in 2018, which includes 95,710 Mts from Mutiticoma, 49,150 Mts from Tibane, 43,770 Mts from Topuito, 12,860 Mts from Nathaca, 11,460 Mts from Naholoco, 4,370 Mts from Cabula, 3,510 Mts from Nathuco and 5,510 Mts from Mulimune.

Mutiticoma and Nathaca have community-driven sanitation campaigns that are conducted on a monthly basis. KMAD continues to work with the other villages by providing training and cleaning materials. In 2018 KMAD distributed cleaning materials to Mutiticoma, Cabula and Topuito and these the villages conducted 197 community sanitation campaigns, targeting 4,989 people.

4. EDUCATION DEVELOPMENT

Efforts to improve the quality of education in Topuito and to increase literacy were strengthened in 2018.

4.1. Technical School

In 2017 KMAD completed the construction of a technical school in Topuito, including classrooms, toilet facilities, teachers' housing and a security post. In 2018 KMAD financed a series of short-term courses open to local community members on topics such as construction, mechanics and welding. The objective of these short-term courses is to empower the students with skills that will allow them to be able to start small businesses.

The Government of Mozambique has agreed to fund and manage the staffing of the school once budgets allow. In 2019 KMAD has committed to fund the construction of phase two of the technical school, which will include additional classrooms, additional teachers' housing, a library, a computer room and an administrative block. The a contract for the construction of phase two was signed in December 2018.



A fully-equipped mechanical workshop and the first group of students taking a vocational course in welding



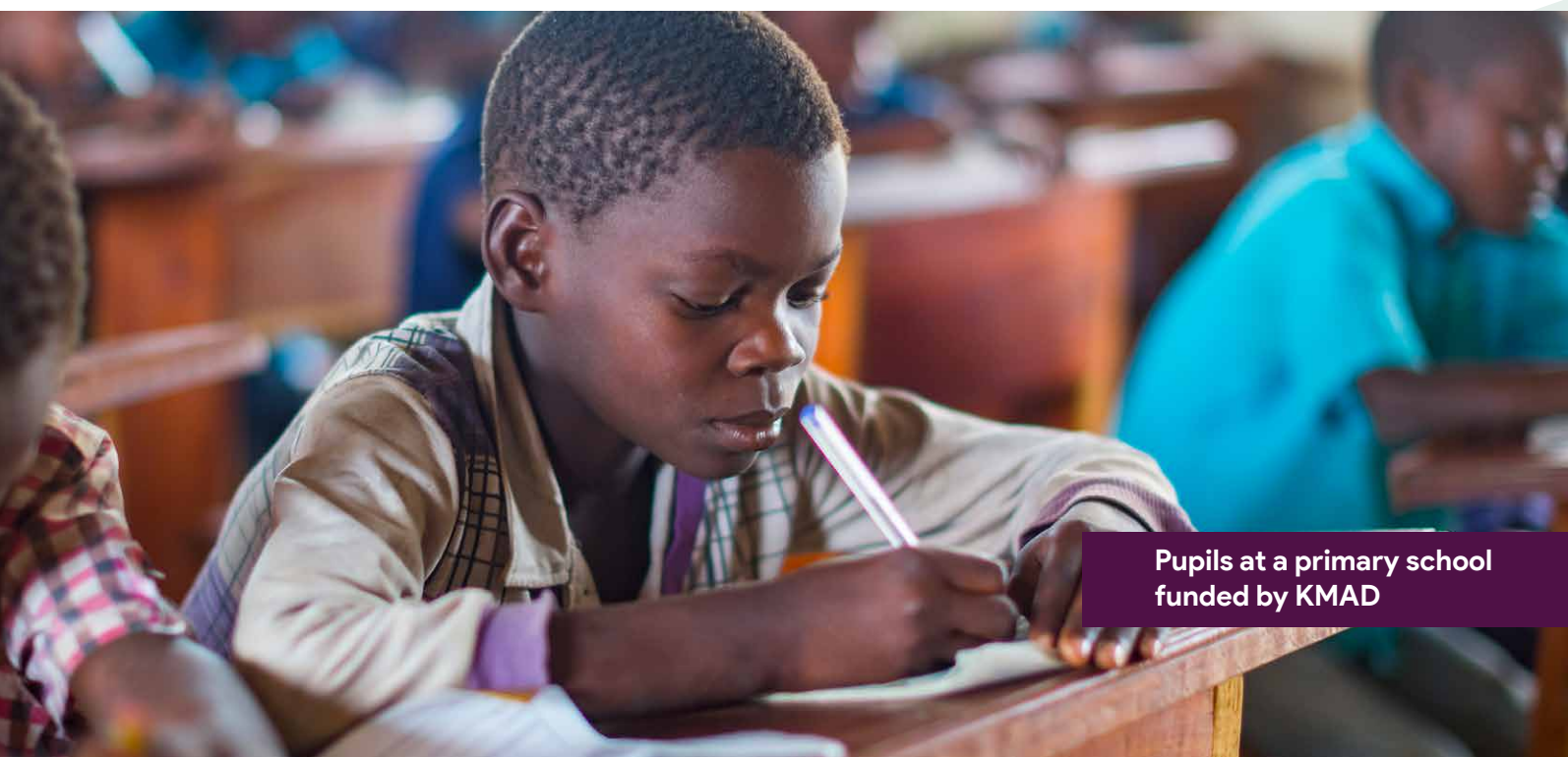
Training of children during the WN project

4.2. Schools

Training of Teachers

KMAD contracted a Mozambican NGO, Facilidade, to undertake a pilot programme to improve the quality of primary education in the locality. Facilidade is an organisation based in Nampula with experience in education methodologies to improve the quality of learning in schools. It conducted an assessment of reading, writing and calculation skills in local children aged from 9 to 15 and is training teachers and school principals in new interactive teaching techniques, initially targeting children in grades 2 and 3. Improving the quality of primary education will be the foundation for maximising the benefits that can be gained from other KMAD initiatives, such as the bursary scheme for secondary and university education.

The Wichutha Nithuelaca (“WN”) method, which means learning and playing, puts children into groups based on competency instead of age. The organisation assesses the reading, calculation and writing skills of each child to determine which level a child should be integrated into. The assessment is designed using the ASER/ UWEZO tool, which is based on the competencies pre-defined by the national curriculum to assess children that complete grade 3. It determines if the child is capable of reading letters, words, simple paragraphs or stories and if the child recognises numbers of one or two algorithms or if they can do addition, subtraction, multiplication and division operations.



Pupils at a primary school funded by KMAD



One of the new classrooms funded by KMAD

Facilidade trained 15 teachers and heads of schools. The organisation also pre-assessed 292 children from grade 4 and worked to improve the writing, reading and calculation skills of these students. As a result, the pre-assessment of the children identified that 56% children of grade 4 could not recognise a letter from the alphabet, 17% could read letters but not words, 15% could read words, 12% could read simple sentences and less than 1% could read a story. With regards to arithmetic, the outcome of the assessment was that 5% of the children were beginners, which means they could not read a number with only one algorithm. 13% could read a number with one algorithm, 37% could read a number with two algorithms and 45% could read numbers with three algorithms.

In terms of the children's capacity to do mathematical operations, it was found out that 23% of grade 4 could do basic addition operations, 4% could do subtraction, 16% could do multiplication operations and 6% could do division operations.

There were 35 pupils in the class and each pupil had 3 hours per day using WN. These lessons were conducted by nine teachers who were trained to apply the WN technique, alongside the Facilidade team. Over a two-month period there were positive changes. The table below shows that at the start of the programme, almost 60% of the children in grade 4 could not recognise letters. However, after two months of implementation, only 10% of the children did not recognise letters. The number of children that could read words almost doubled from 15% to 27%.

In terms of mathematics, the percentages of children able to perform subtraction increased to 26%, division increased to 71%, addition increased to 52% and multiplication increased to 57%.

The table below shows the 'before and after' results of the pupils in the WN project:

Level of Skills	Reading (%)					Mathematics (%)			
	Doesn't Recognize the Letters	Recognise letters but can't read words	Read words	Read simple sentences	Read simple stories	Solves addition	Solves subtraction	Solves multiplication	Solves division
Pre-assessment	56.0	16.8	14.7	11.6	0.7	22.9	4.1	15.8	6.1
After the implementation (two months)	14.0	37.9	27.0	14.0	6.8	52.0	26.0	57.0	70.8

In 2018 KMAD also concluded the construction and furnishing of four classrooms in Tibane and four classrooms in Topuito. KMAD had intended to also repair the existing Tibane school block but due to its very poor condition it was agreed that the construction of a new block would be included in KMAD's 2019-2021 strategic plan.

School materials

KMAD provided school materials for 4,328 pupils from grades 1 to 7, who received 14,171 exercise books, 2,147 pencils, erasers and sharpeners, 2,181 pens, 1,611 rulers and 510 drawing kits. In addition to this, KMAD also distributed school materials to 46 teachers, who received 128 exercises books and pens and 64 rulers.

Materials were also provided to 127 adult literacy students, who received a total of 328 exercises books and 127 pens.

4.3. Scholarships

In 2018 KMAD supported 90 grantees, 86 in Moma secondary school (14 girls) and 4 in Carapira school (1 girl). Of the 86 students at the Moma secondary school, 82 passed. One student failed in grade 8, two failed in grade 9 and one failed in grade 11. In Carapira all of the four students passed. From Carapira school two students concluded their schoolwork and are and now are going to apply for internships in a local company as part of their final assignment.

In December 2018 a group of 16 students (10 girls) passed the application exams for the 2019 bursary scheme. There is not enough space at the Moma boarding school to accommodate all the students that KMAD would like to grant scholarships to so KMAD has contacted other secondary schools in the Province to investigate the possibility of sending some pupils to other schools.





Tibane new classroom block finalized and furnished and Topuito new school block under construction

With regards to the University bursary scheme, KMAD received 17 applications (two girls) and of these, nine meet the minimum age to apply for the bursary. KMAD will select four to be granted the bursary.

4.4. Sports & Culture

KMAD supported the male teams with 12 balls and prizes, which are going to be awarded in January 2019. In addition to local sport, KMAD supported a volleyball team to participate in provincial school games and provided funding for the Larde District soccer committee.

5. GOVERNANCE SUPPORT

In 2018 KMAD supported two training workshops facilitated by civil society organizations. The first was conducted by Livaningo and involved training local leaders in the identification of development priorities and effective communication. There were 34 leaders (four women) present.

A second training session, which was facilitated by Sol Moz, aimed to improve communication and information sharing between the leaders, District Government and KMAD. 13 leaders were trained in how to use cell phones, whatsapp and Facebook in order to improve communication and share development activities taking place in their villages. A whatsapp group for local leaders, KMAD and District Government was created following the session.

KMAD constructed and equipped a community radio station in Larde. The station began broadcasting in early December and 16 volunteers were trained to use the equipment. KMAD is using the radio station deliver information about its activities to the local communities. KMAD has a biweekly programme, which is broadcasted in two languages (Macua and Portuguese). During the year, programmes were broadcast on topics such as sanitation and cleaning, health prevention, safety in the community and education.

6. INSTITUTIONAL DEVELOPMENT

Staff professional development

Kenmare took part in an exchange visit with the Theun Himboun Power Company in Laos in October 2018. The visit was funded by FMO and the objective of the visit was to learn how each company implements its corporate social responsibility programme, as well as the impact each company has on its host communities. The KMAD coordinator and Kenmare's Corporate Affairs Manager attended the visit and had the opportunity to learn about the way another company handles issues related to the resettlement and relocation of communities, grievances procedures and meetings with Government authorities.

KMAD 2019-2021 Strategic Plan

2018 was the final year of implementation of the current KMAD SP. To prepare the SP for the next three years (2019-2021), KMAD contracted a consultant called Akhily, which is based in the city of Nampula. Akhily facilitated the development of the plan, including the KMAD internal assessment and the community/other stakeholder consultations.

As part of the SP's development process, the nine target communities in the Topuito locality (Topuito, Tibane, Cabula, Mutiticoma, Naholoco, Mulimune, Nathuco, Nathaca and Isoua) were consulted in order to incorporate their ideas on the development priorities during this period. These ideas formed the basis for the strategy. All the community consultations were held in the presence of representatives of the Government of Larde District and local leaders, including the representative of the Chefe de Localidade.

In every village, the communities were presented with a list of planned activities and activities that have been carried out under the 2016-2018 plan. During the presentations, community members were given the opportunity to ask questions and debate the various projects. The beneficiaries involved in KMAD's previous activities were also able to share their successful experiences, challenges and cases of failure and outline the reasons for failure or success. The communities worked in small groups (women, younger men, and older people) to discuss and list their ideas for the development priorities for the next three years. The development needs were prioritised based on a voting system.

Following the consultations, the list of priorities identified by the communities was taken for discussion by the stakeholder forum (District and provincial Government, provincial assembly and NGOs) and finally reviewed by the KMAD Council. The plan was signed on the 12 December 2018 by the members of the forum, including the representative of the communities.

Summary of KMAD 2016-2018 Plan

Overall, the implementation of KMAD's 2016-2018 SP was very successful. In 2016, KMAD focused on regaining the trust of local communities, which had been negatively impacted by the financial crisis, forcing KMAD to postpone many of the activities of the previous plan.

During that year, KMAD completed most of the activities of the previous plan, except for the construction of the technical school, which was delayed due to factors outside of KMAD's control (negotiation with provincial and district Government on what would be built and finalising the drawings). Robust progress was made in the area of Education Development, with three school blocks built in three years and 72 scholarships awarded to secondary school students. In 2018 KMAD distributed school materials to all the students in the area and finalised the scholarship programme for higher education. The piloting of the WN project in primary schools showed strong promise, with the aim of improving the quality of education for young children.

In terms of Economic Development during the past three years, a total of 31 economic development projects were funded (16 in 2016, eight in 2017 and seven in 2018) generating combined revenues of 49.357.841,00 Mts (US\$822.630,68). The number of operating businesses benefitting from KMAD's support increased by 16% from 37 in 2016 to 43 in 2018. Although there was a reduction in the number of new businesses funded from

16 in 2016 to eight in 2018, the number of people seeking to expand their business through KMAD funding has increased. This tendency is viewed by local leaders as a positive step to foster local development, although new projects for people who have not been beneficiaries before are also encouraged by KMAD, in order to maintain the main objective of the KMAD funding.

Vegetable production has been very successful, especially in terms of organizing the farmers who are part of the local suppliers' network. Ongoing training and periodic meetings between the canteen, farmers and KMAD has helped to secure a more effective delivery schedule so that all farmers groups have an opportunity to sell their products to the canteen. There has also been more cooperation amongst the different farmers groups so that if one group is scheduled to make a delivery and they cannot supply the whole amount, they contact another group to provide the balance. These changes motivated the increase in production as well as the search for new markets.

In terms of healthcare development, KMAD continues to encourage the District Health Directorate to embrace its responsibilities, with regards to the management of community health education activities as well as the volunteers and midwives, but with limited success. During the three years of the KMAD SP, the number of Health Clinic staff has increased from two permanent staff (one technician and one nurse) to nine (two technicians, three nurses, one pharmacist and three assistants) and services have been expanded. KMAD also constructed a vaccination centre and pharmacy for the health centre and in terms of capacity building, continuous training was given to health volunteers and a scholarship was granted to 35 nursing students from Larde to study mother and child health care.



A community grocery store supported by KMAD

7. CHALLENGES

In H1 2018 KMAD activities were negatively impacted due to a boycott by local leaders that lasted for the first five months of the year. This resulted from a dispute between Kenmare and the District Government about casual labour at the Mine. As a way to gain leverage, the local leaders boycotted certain KMAD activities, in particular the Economic Development projects, and this affected the agricultural projects as well as the funding for new businesses.

8. SUCCESS STORY

The piloting of the WN programme in Topuito primary schools was very successful and popular in the community. There is a general acknowledgement that this programme, which aims to improve the numeracy and literacy skills of young children, has brought positive change.

The teachers were very enthusiastic about the techniques used with this approach and how quickly it allows children to gain new knowledge. Parents were also very happy with the changes and outcomes and the feedback was that there is a growing interest in local children attending school.

Another success story was the approach for joint planning and monitoring of projects, which was introduced at the beginning of 2016. This became an important platform to discuss implementation of projects and necessary changes. It also encouraged the involvement of all stakeholders and helped to clarify and align the responsibilities of each stakeholder in the implementation process.

These sessions became the building blocks to strengthen and ensure 'buy in' from the local leaders and communities during the implementation period of the SP and they provided an opportunity for all stakeholders to gain more knowledge and understanding about KMAD's relationship and impact on the local communities. It also facilitated a deeper understanding of the challenges faced during the implementation of KMAD's activities. As a result of this, since 2017 KMAD has been visited by several organizations, from the Government to civil societies, who came to Topuito to learn about the communication strategy and relationship between KMAD and local communities.

In 2018, members of the Provincial Assembly of Zambézia province came to visit KMAD's projects and learn about KMAD's experiences in terms of communication with the local communities. During the discussions of the KMAD 2019-2021 SP, members of the three political parties with a seat in the Nampula Provincial Assembly (Frelimo, Renamo and MDM) attended the meeting to understand how the Development Plans of KMAD are discussed and approved.

