Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 29-Nov-2019 | Report No: PIDC27670
### BASIC INFORMATION

#### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
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<td>P171449</td>
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<td>Maputo Urban Transformation Project (P171449)</td>
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<td>Investment Project Financing</td>
<td>Ministry of Economy and Finance</td>
<td>Maputo City Council</td>
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#### Proposed Development Objective(s)

To improve urban infrastructure and strengthen institutional capacity for sustainable urbanization in Maputo.

### PROJECT FINANCING DATA (US$, Millions)

#### SUMMARY

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#### DETAILS

**World Bank Group Financing**

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<td>IDA Grant</td>
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**Environmental and Social Risk Classification**

- High

**Concept Review Decision**

- Track II-The review did authorize the preparation to continue
B. Introduction and Context

Country Context

1. **Mozambique has enjoyed robust and accelerating economic growth during the last two decades.** With the end of a devastating 15-year civil war in 1992, and the implementation of political and economic reforms, gross domestic product (GDP) per capita growth has been strong. Real GDP growth averaged 7.0 percent between 2000 and 2017, making it one of the fastest growing countries in Sub-Saharan Africa. For the most part, economic growth was supported by sound macroeconomic management, a number of large-scale foreign investment projects in the extractive sectors, political stability, and large donor support.

2. **However, economic growth has not yet achieved its full potential in poverty reduction and enhancement of shared prosperity.** While strong economic growth led to a 16 percent point decline in the national poverty headcount between 1997 and 2003, the pace has slowed considerably since then, with poverty falling by only a further 4 percentage points between 2003 and 2009. The weakened relationship between growth and poverty reduction is due to the changing pattern of growth, which in the past decade was driven by capital-intensive, import-dependent sectors. This pattern of growth is also reflected in labor markets, which continue to be dominated by low-skilled labor in the agriculture sector. At the same time, inequality has increased as the better off have benefited the most from economic growth. Households in the top decile of the distribution recorded almost twice as much consumption growth relative to the rest of the population. Whereas the bottom half was the only group that recorded positive consumption growth in the period 2002-2008, the upper half experienced the largest growth in recent years (2008-2014)."}

3. **Since 2015, low commodity prices, the disclosure of hidden loans, and climate shocks led to an economic downturn.** The economy slowed from 2015 onwards due to a fall in commodity prices and adverse weather conditions that negatively affected economic activity. In 2016, the economy further declined following the revelation of US$2.2 billion (or around 11 percent of GDP) in previously undisclosed debt by state-owned enterprises, which prompted a freeze in donor budget support. Climate change and natural disasters have also contributed to reduced growth, from the draughts that affected agricultural outputs to the recent Idai cyclone that caused more than a US$1 billion in damages to public infrastructure, housing and economic activities. This resulted in a reduction in GDP growth from 7.4 in 2014 to 3.8 percent in 2016, and a rapid depreciation of the metical by 36 percent against the U.S. dollar. Inflation averaged 20 percent in 2016, with food price inflation reaching 32 percent, disproportionately affecting the poor.

4. **Despite these challenges, there is renewed optimism following the discovery of large gas reserves and the signing of a definitive peace agreement.** Recent developments indicate that the multibillion Rovuma basin gas megaproject is on track. In the meantime, ongoing mega projects are showing resilience and may benefit from a boost in the near term from an improving outlook for key commodity prices such as coal, aluminum, and gas, three of

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Mozambique’s largest exports. This supports the prospects for a recovery in growth which could surpass 7 percent by 2020.

5. Mozambique’s political landscape also bears the scars from the 15-year civil war that followed independence from Portugal. The Front for the Liberation of Mozambique (FRELIMO) has won five successive presidential and parliamentary elections since the first elections were held following the formal peace agreement, and as such has dominated political power and socio-economic policymaking in the post-conflict period. While FRELIMO retains a comfortable majority in parliament, the two main opposition parties, the Mozambican National Resistance (RENAMO) and the Mozambique Democratic Movement (MDM) have both gained ground. The recent peace agreement signed by FRELIMO and RENAMO reinvigorated the prospects of political stability. In 2017, the leaders of FRELIMO and RENEMO agreed to cease low-level armed hostilities which had reignited after the contested elections of 2014. This political agreement was followed by constitutional reforms to set the foundations of demobilization and decentralization. In the October 2019 elections, Governors and representatives of the provincial assemblies were elected for the first time, while district heads and representatives of district assemblies will be elected in 2024. While the combination of economic recovery and political stability will undoubtably help to improve the country’s outlook, challenges remain to implement these reforms and to ensure wealth is deployed transparently and contributes to inclusive growth.

B. Sectoral and Institutional Context

6. Urbanization in Mozambique, if managed well, can accelerate economic growth, poverty reduction, and structural change. By enabling agglomeration economies, cities can be instrumental in enhancing productivity, spurring innovation, and economic diversification for the benefit not only of the cities’ residents and firms, but for reducing poverty and promoting shared growth for the country as a whole. Indeed, urban growth has rapidly unfolded in Mozambique in the last 30 years with increasing concentration of people and economic activity in urban areas. Both rural-urban migration and high fertility led to a significant increase of the urban population from 7 to 33.4 percent (INE 2017). At this rate, the urban population is expected to more than double in the next 25 years, adding more than 11 million people to cities. Economic activity has also concentrated mostly around the largest cities (see figure 1). The 23 largest cities generate approximately 51.4 percent of the national GDP, and average per capita consumption in cities is more than triple the rural average ($1,160 versus $336)\(^2\). The poverty headcount rate is significantly lower in urban areas than in the rest of the country and has declined faster in urban areas than rural areas. Between 1996/7 and 2008/9, poverty declined by 24 percent points in urban areas, compared to 10 percent points in rural areas\(^3\). In 2014/15, the poverty headcount rate for cities was 32 percent.

7. **As the capital of the country, Maputo plays a prominent role in the national development agenda.** Located 120 km from South Africa, Maputo is the largest city in the country (approx. 1.3 million inhabitants/INE 2017). Maputo originated as a port town, where today the historic center (known as Baixa) is located. The growth of the city first happened with densification of areas adjacent to the city center, but later expanded to the West and North along the major arterial roads that connect the city center to Matola, Maracuene and Boane, creating a metropolitan area of more than 2 million inhabitants. The coastal line limits the city towards the East, and until very recently, the expansion to the South was limited due to the difficult access to the other side of the Maputo Bay. However, the recent inauguration of the Maputo-KaTembe Bridge across Maputo’s Bay created a new urban expansion axis towards the underdeveloped Municipal District of KaTembe.

8. **Maputo contributes significantly to economic growth.** Although Maputo residents represent only 4.3 percent of the country’s total population, the city contributes to more than 17 percent of national GDP. Politically, the Maputo Municipal Council (CMM), remained the capital of Mozambique after Independence, acquiring political, fiscal and administrative autonomy from Maputo Province in 1998. As such, it houses the national, provincial and municipal governments where the most important decisions are made. As seen in the past two decades, when the country’s economy accelerates, the pace of investment increases visibly as the city offers prime locations within easy reach of the major transport infrastructure (airport, port, railways, national roads), and to financial and services clusters. Significant financial flows have been directed towards real estate development not only as a response to the growing demand for office space and housing, but also as an investment diversification strategy. As the city’s population and economy grow, the need to improve and expand urban infrastructure also grow considerably, putting significant pressure on the authorities to keep pace with private investments in order to ensure that urban infrastructure supports local economic development.

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*Source: Maputo City Scan / Cities Resilience Program 2019*

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Addressing Informal Urban Settlements

9. In spite of the privileged position of Maputo city in the country, most of its residents live in underserved informal settlements, with limited access to basic services and without adequate housing. Maputo’s urbanization had its roots in the dualism that separated the formal city (known as cidade cimento)—where the Portuguese settlers lived during colonial time—from the informal neighborhoods (known as cidade-caniço) where most of the Mozambique lived. This dualism was exacerbated during the 15 years of Civil War (1977-92) as many were displaced from the countryside and sought safety in urban areas. At the same time, public investments in infrastructure and housing collapsed as the country’s economy was devastated by conflict and failed economic policies. During this period, the population of informal neighborhoods increased considerably. Since then, the country and the city economy have recovered, and access to infrastructure and services have improved in recent years. However, the government has not been able to address the infrastructure and housing backlog, nor to respond to the growing needs arising from demographic growth. As a result, the city continued to expand mostly in an informal manner. Currently, about 86 percent of Maputo’s population live in underserved informal settlements. In recent years, access to piped water and electricity improved considerably in Maputo, but housing quality and access to sanitation has improved only marginally, or decreased in peri-urban areas. As well-located land has become more scarce, many poor families have encroached on flood plains or occupied areas that lack adequate drainage, creating hot spots with high environmental risks, poor infrastructure, and precarious shelter conditions. It is precisely this difference in levels and quality of urbanization interlinked with climate-related risks that exacerbates poverty and limits economic opportunities for the urban poor in Maputo.

10. Taking this into consideration the CMM elaborated and approved the Municipal Informal Settlement Intervention Strategy (MISIS) under the World Bank supported ProMaputo II. The MISIS aims to provide conceptual and operational guidelines for the CMM to improve the quality of life of the population living in informal settlements in the
city of Maputo. The MISIS is structured along three interconnected pillars: (i) infrastructure and services improvements; (ii) land tenure regularization; and (iii) risk mitigation. As such, the ultimate goal is to upgrade informal areas (cidade caniço) incrementally to reach the same level of urban infrastructure and municipal services as that of formal areas (cidade cimento), provide residents with secure land tenure (land use rights titles - DUATs), and improve urban resilience (ex. flooding, erosion). The MISIS also proposes actions to ensure participation throughout the entire project cycle. It also proposes physical interventions with actions from different departments and agencies to promote socioeconomic development and strengthening of the social capital in local communities. During ProMaputo II, MISIS was successfully piloted in two neighborhoods: Chamanculo C and George Dimitrov. Key lessons learned from the pilot projects include the need to: (i) plan for in-situ resettlement; (ii) include an incremental housing component; (iii) better integrate land tenure regularization; (iii) strengthen the O&M capacity of the municipal districts in the intervention areas; and , (iv) scale up the pilots through a more programmatic and policy approach.

Harnessing the Potential of Maputo’s City Center

11. The city of Maputo needs to address not only the backlog of urban infrastructure and services in informal settlements, but also better harness its unique potential and prepare the city for urban growth. In this respect, the downtown of Maputo city, known as Baixa, has a very important economic, political and social function not only for the city, but also for the whole metropolitan area of Maputo, and the country. Its approximately 200 hectares holds the largest concentration of government, financial, commercial, cultural and social activities. It is the epicenter for the metropolitan transport infrastructures system, and the largest import-export hub in the country, where the Port of Maputo, and the Central Station of the Caminhos de Ferro de Mocambique (CFM), and major national and urban roads intersect. It also functions as the city business district (CBD), where headquarters of large financial and other corporations are located. The central district is also the location of the largest volume of retail trade of the city. Some important retail clusters are located in the city center such as textile, machinery, electronics, furniture and others. In 2013, the city government estimated that the Baixa area provided employment for 150,000 to 250,000 people. In recent years, economic activities grew to the detriment of residential activities. By 2007 the population of the Baixa was down to 13,000 inhabitants from 40,000 in the late 1960s. However, during day time the population of Baixa increases significantly. It is estimated that 200,000 to 400,000 people travel daily to the city center. With the constant increase in domestic and international trade, as well as the expansion of the metropolitan area, the movement of people and goods in the city center has grown significantly. This has contributed to a significant increase in traffic congestion, overcrowded public spaces, increased air pollution and created other negative externalities as many more cars, busses and chapas (vans) converge to the city center daily.

12. However, most of the infrastructure in the city center is outdated and insufficient for today's needs. Baixa’s reticular sewerage system is a combined sanitation and drainage system built during the 1940s. The discharge points are located throughout the area, flushing wastewater and untreated rainwater directly in Maputo Bay. This low-laying area of the city is also prone to flooding (see map below). The frequent flooding in some areas in the city center has different causes. Firstly, the drainage infrastructure in Baixa was built during colonial time for a much smaller capacity, and thus it was not planned to absorb the increased flow created with increased densification. Another contributing factor is the overflow that occurs in the surrounding neighborhoods, discharging rain water into the existing underground drainage system or flowing on the surface of roads that connect the upper to the lower parts of the city center. Finally, increasingly more frequent high tides cause water to backflow through the drainage and sewage system, and onto the surface. The two cliffs (in red) on the East and West side of city center show several points of significant erosion as the drains, pathways and vegetation are not well maintained.
13. **Moreover, the different urban transport systems that converge into the city center are not integrated, creating congestion and inefficiencies.** Several transport options are available to get to and move around *Baixa*, however the road transport is the most commonly used mode. The road network is the most used infrastructure in the District supporting multiple types of services, from private cars to shared vehicles (taxis and cabs), cargo vehicles (vans and lorries), and public transport services such as minibuses (*chapas*) and buses. The area has some passenger rail services and ferryboat offered by private service providers. The lack of integrated urban mobility systems in the city center create conflicts among pedestrians, cars, busses, *chapas*, and taxis. While the increase in buses that converge in the city center has improved commuting, it has also increased congestion due to the lack of proper terminals and dedicated lines. The main square in Baixa (Praca dos Trabalhadores) has become the *de facto* main bus terminal. Inadequate traffic control, and undisciplined driver behavior also contributes to exceptionally chaotic and dangerous road conditions. Basic traffic-control features such as traffic lights, signs and lane markings are inadequate or altogether absent.

14. **Street parking is another major challenge to improve mobility in the city center.** Public space has been truly “privatized” by unregulated parking of vehicles on streets and on top of sidewalks throughout most of the downtown. Pedestrians have to compete not only with vehicles parked on sidewalks, but also with street vendors that occupy whatever public space is available. This situation not only obstructs pedestrian movement on sidewalks, but it also creates dangerous conditions as people have to often walk on the streets. This chaotic and unregulated use of public space also contributes to the high incidence of urban crime in the city center. The Baixa area is known for pickpockets and car thieves.

15. **Improvements in urban mobility are complex and it is not just about improving infrastructure.** It will require a combination of measures to change behaviors, restructure formal and informal transport services, potentially renew fleets, and in general, put in place an efficient mobility management system integrated with demand management measures, traffic management and parking. And on the top of this, the government will need to have enough capacity to monitor public transport regulations, and to ensure enforcement. All this will require better coordination among different institutions, including the Maputo municipality, the National Roads Agency (ANE), the Ministry of Transport and Communication, the CFM, the Metropolitan Transport Agency, and traffic police. It is also important to take into consideration the political economy, and to involve non-state actors such as the *chapas* cooperatives, transport workers unions, street vendor associations, among others.
16. **Baixa** also plays a significant role in the cultural identity and function of the city. It concentrates the most important urban heritage stock in the country, as well as many cultural and leisure activities such as old theaters, traditional restaurants, and bohemian quarters. An inventory completed in 2013 identified 323 buildings and sites worth protecting. Out of this, 19 were classified as national monuments (class A) requiring full protection and restauration. The rest required different levels of protection. 76 were classified as having significant value (class B) requiring significant protection but allowing adaptations. 134 were classified in class C and 94 in class D, playing mostly a contextual role in the Baixa area where they are located and available for adaptive rehabilitation. However, these historic buildings and sites show different levels of conservation, some are in good conditions while most show high levels of physical deterioration and functional obsolescence. Absentee landlords or fragmented tenure structures are commonly found in the city center. On the other hand, there is growing awareness in the private sector of the significance of the urban heritage and commitment on the part of the government to work towards the preservation of this material heritage and the intangible heritage values they hold. For instance, the tourism sector considers the historic city center an opportunity to attract non-business visitors and diversify the tourist’s experience. A cruisers’ terminal was recently inaugurated in the city center port area so tourists could explore the uniqueness of Baixa, and access other attractions not far from the city such as the Maputo Reserve of Elephants.

17. The Municipal Council of Maputo is actively seeking solutions to these problems and to take advantage of the economic development opportunities that the uniqueness of Baixa could offer. These efforts center around the implementation of the Partial Urban Plan (PPU) of Baixa prepared in 2014 under WB financed ProMaputo II. The PPU provides specific proposals for revitalizing the city center, including new land use guidelines, development control regulations, infrastructure improvements, and urban design. Sectoral plans and investment projects have also been prepared by other government agencies to address some of the problems discussed. The most relevant are the Metropolitan Urban Transport Master Plan, the Metropolitan Drainage and Sanitation Master Plan, and the Maputo Tourism Strategy.

**Promoting Sustainable Urban Growth**

18. It is expected most of the urban growth in Maputo will take place in KaTembe Municipal District. The KaTembe area is located across the Maputo bay, and remained disconnected to the rest of the metropolitan region until the construction of the Maputo-KaTembe Bridge inaugurated in the end of 2018. In the past, this natural barrier helped to slow down urban expansion across the bay. This also helped to maintain a vast natural habitat composed of mangroves, flood plains and pristine coastal line mostly intact. However, with the decision of the Government of Mozambique, a new vector of development to the South was defined with the construction of this new bridge in conjunction with the extension of the national road (N1). This major investment significantly improved the connection of KaTembe municipal district with Ponta D’Ouro and the border with South Africa towards the South, and crossing the bridge, with Maputo city center to the East, and to the Maputo circular road to the West. In parallel, the Government commissioned the formulation of the General Urbanization Plan of the KaTembe Municipal District (PGUDMK) to guide and promote urban development in KatTembe. The PGUDMK’s main objective is to structure the future development of KaTembe in order to reconcile urban development, tourism, industrial activities with sustainable management of its natural habitat. As such, the PGUDMK provides a detailed zoning and infrastructure plan for housing (400,000 inhabitants planned), schools and health facilities, industrial zones, green areas and parks.

19. However, since the approval of PGUDMK, no effective mechanism has been in place to support its implementation. The proposed new zoning has not yet been effectively utilized for the purpose of land delivery, regularization and oversight. The authorities have not yet started to demarcate the areas zoned for future construction of access routes, reservations for public functions, or preservation of environmentally sensitive areas. Thus, the process of
occupation of KaTembe continues to happen in a manner incompatible with the plan approved by law. To a large extent, it occurs spontaneously, by the people themselves, both poor and well-off, that acquire land and build without seeking formal registration and licensing. But it also occurs through the normal approval channels, as authorities have issued land use rights (DUATs) and construction licenses without necessarily following the land use and construction regulations established legally in the PGUDMK.

20. The territory of KaTembe is particularly susceptible to climate impacts such as coastal erosion, rising tides, and flooding. The various ecological systems present, such as the beach and dunes, mangroves and natural vegetation attenuate risks associated with these events, which should become increasingly frequent and intense with climate change. These ecological systems are characterized in the PGUDMK Green and Ecological Structure Plan, such as: "Wet and Floodable Areas", "Water Line Protection Ranges", "Protection and Conservation Areas" and "Coastal Line Protection Range". Moreover, the PGUDMK properly establishes specific zoning regulations to ensure the protection of these areas for environmental and ecological purposes, and to minimize the impacts of climate change. However, the mismatch between the pressure of both spontaneous occupation and land speculation, with the lack of capacity to implement the PGUDMK generates increasing pressure on the environmentally protected areas. It increases the exposure of people and constructions to flooding and erosion. It also reduces the effectiveness of the natural barriers to climate events. The current development trends in KaTembe could generate the same negative externalities found in the rest of the city, with the occupation of coastal areas, areas susceptible to flooding and natural habitats.

21. The lack of resources to implement the minimal aspects of the planned urban infrastructure can already be seen as many residential areas are not provided with paved roads, water and sanitation systems. Informal terminals and stops for chapas, buses and taxis have been built along the national highway, or occupying areas of environmental preservation, or for other uses. This has already created significant negative impacts in terms of pollution of water resources, bottlenecks that reduce speed in the national road, and increase in the risk of accidents. The continuous urbanization of KaTembe without the incremental building of the necessary urban infrastructure will bring the same negative externalities that are already common in the rest of the city. The greater the occupation of the land, either spontaneously or formally but not in conformity with the PGUDMK, the higher the costs of implementing planned urban infrastructure in the future will be. This will not only increase the financial costs, but will make it much more complex technically, and challenging politically. Maputo's opportunity to achieve planned urban growth may be lost rapidly.

Strengthening Municipal Institutional Capacity for Transformative Changes

22. The recently inaugurated administration of Maputo City Council approved the Maputo Municipal Development Plan (PDM 2019-2023), an ambitious plan to promote urban growth in a socially, economically, and climate resilient manner. In order to achieve these objectives, the CMM will have to overcome critical performance challenges.

23. In spite of incremental increases in own source revenue, its potential remains largely untapped. The municipality has made continuous progress in expanding its property tax (IPRA) cadaster, but it currently only covers 40 percent of taxable properties. Moreover, the current property tax (IPRA) formula estimates the taxable value based mainly on an arbitrary construction cost, which is a small fraction of market value. IPRA is also not applied to vacant land. This only reduces potential revenues, but also permits unproductive land uses. As such, it is urgent to revise how the municipality applies IPRA, progressively aligning with property market values, taxing not only building areas but land too, and incorporating a progressive rate to disincentivize inefficient land use. According to the Maputo Urban Poverty and Inclusive Growth Study, Maputo could generate up to Mt 44 billion (US$ 718 million) more over ten years if it improves tax compliance, increases tax rate according to international benchmarks, and uses market value to assess property. The CMM also lacks a medium-term expenditure framework that links planning and budgeting. The municipal annual budget
is planned according to expenditure categories set by national law, but it is not aligned with the financial needs prioritized in the 5-year development plan (PDM). Moreover, internal and external financial controls continue to be very weak due to a lack of sound municipal financial management system, and weak external control.

24. **Land tenure regularization and delivery mechanisms remain complex, opaque, and inefficient in spite of efforts to modernize the municipal land administration.** Acquiring a land use title (DUAT) or regularizing land tenure remain a tedious and costly process; often taking more than a year to go over as many as 103 steps. Although the CMM has developed a land management information system (SIGEM), most of land transactions continue to be processed outside the SIGEM. This lack of efficiency and transparency opens space for rent seeking behaviors, increases investment costs, and reduce land-based revenues. Indeed, Land Value Capture (LVC) instruments, such as a betterment levy, have been prescribed by law but never utilized. LVC can potentially help to increase the contributions from property owners and real estate developers to finance infrastructure investments. These instruments are particularly effective to recover part of the increase in land value due to public infrastructure investments and/or changes in land use (ex. inner city revitalization, greenfield development, and transit oriented development). When LVC instruments are not in place, all the value added from public investments and regulatory changes are benefit only the developers.

25. **Well-aware of the opportunities and challenges facing the city of Maputo, the Government of Mozambique requested World Bank support to implement a transformative urban agenda in Maputo.** Building upon the institutional capacity and lessons learned from a long partnership between the World Bank and the Municipality of Maputo, the proposed Maputo Urban Transformation Project aims to help the CMM achieve transformative results and address the most difficult challenges facing Maputo city.

**Relationship to CPF**

26. **The project is aligned with the Bank’s twin goals, the Country Partnership Framework (CPF 2017-2021), the Systematic Country Diagnostic (SCD), and with other key lending operations.** At a higher level, the project contributes to the Bank Group’s twin goals of ending extreme poverty and promoting shared prosperity, as well as the Bank’s commitment to the Climate Change Global Agenda by improving access to basic infrastructure in the poorest informal settlements and increasing urban resilience to climate risks in Maputo. The project also builds upon the Maximizing Finance for Development (MFD) approach to help clients maximize their development resources by drawing on private financing and sustainable private sector by attracting the private sector into strategic urban infrastructure investments and introducing LVC instruments.

27. **The project is directly aligned with Mozambique CPF Objective # 10: Promoting Inclusive Urbanization and Decentralization.** The CPF recommends that new lending focus on improving infrastructure and services for the urban poor, increasing own-source revenue, and improving urban planning and land management at the municipal level. In this respect, the project will contribute to the following indicators: (i) accumulated increase in municipal own revenue; (ii) number of municipalities with land and property tax cadasters covering at least 50 percent of land/properties; and (iii) number of municipalities with urban plans formulated and monitored through participatory mechanisms. The project cuts across other CPF objectives, particularly Objective 11: Improving Management of Climate Risk and Natural Resources; Objective 8: Increased Accountability and Transparency of Government Institutions; and Objective 7: Improving Access to Water and Sanitation.

28. **The project also complements and leverages other lending and analytical work in Mozambique.** The project will help to complement the investments and uses the same approaches developed in the Urban Sanitation and Drainage Project (P161777) which aims to increase access to safely managed sanitation services and strengthen municipal sanitation service delivery capacity in cities. The project will also complement the Sustainable Urban Mobility and Private Sector
Participation in Greater Maputo Project (P171048) by investing in urban infrastructure and improving urban mobility that supports the future upgrades in the metropolitan urban transport system. The project will also complement the Bank engagements in health, education and social protection by strengthening the capacity of CMM and complementing national government programs to assist the poorest and most vulnerable population living in informal areas.

C. Proposed Development Objective(s)

To improve urban infrastructure and strengthen institutional capacity for sustainable urbanization in Maputo.

Key Results (From PCN)

- People provided with improved urban living conditions
- People living in informal settlements with improved basic urban infrastructure
- Improve urban mobility in Maputo City Center
- Sustainable land use instruments implemented in KaTembe Municipal District
- Increased financial sustainability of Maputo Municipality

D. Concept Description

29. The project will help the Municipal Council of Maputo (CMM) implement the most challenging and transformative priorities of its recently approved Maputo Municipal Development Plan (PDM 2019-23). Firstly, the project will help the CMM to improve the quality of life of the urban poor living in the most vulnerable informal settlements. Secondly, the project will help to harness the full potential of the city center by financing critical urban infrastructure and public spaces, and improve urban mobility. Thirdly, the project will help CMM to implement effective land use instruments and green infrastructure in KaTembe Municipal District in order to build the foundations of sustainable urban growth. The project will also provide incentives to help the CMM achieve key performance improvements through disbursement linked indicators (DLIs).

Legal Operational Policies

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Summary of Screening of Environmental and Social Risks and Impacts

Note to Task Teams: This summary section is downloaded from the PCN data sheet and is editable. It should match the text provided by E&S specialist. If it is revised after the initial download the task team must manually update the summary in this section. Please delete this note when finalizing the document.
Note: To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document. 
*Please delete this note when finalizing the document.*

## CONTACT POINT

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## APPROVAL

**Task Team Leader(s):**
Andre Herzog, Fatima Arroyo Arroyo, Hannah Kim

**Approved By**

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<tr>
<th>Practice Manager/Manager:</th>
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