REPORT NO.: RES25479

DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
MAPUTO MUNICIPAL DEVELOPMENT PROGRAM II (MMDP II)
APPROVED ON SEPTEMBER 30, 2010
TO
MINISTRY OF ECONOMY AND FINANCE

SOCIAL, URBAN, RURAL AND RESILIENCE GLOBAL PRACTICE
AFRICA

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Task Team Leader: Andre Herzog
I. BASIC DATA

Product Information

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Lending Instrument</th>
<th>Original EA Category</th>
<th>Current EA Category</th>
<th>Approval Date</th>
<th>Current Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>P115217</td>
<td>Adaptable Program Loan</td>
<td>Partial Assessment (B)</td>
<td>Partial Assessment (B)</td>
<td>30-Sep-2010</td>
<td>31-Dec-2016</td>
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</table>

Organizations

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Responsible Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Economy and Finance</td>
<td>Maputo Municipal Council</td>
</tr>
</tbody>
</table>

Project Development Objective (PDO)

Original PDO

Improve the delivery and sustainability of priority municipal services in Maputo Municipality.

Summary Status of Financing

<table>
<thead>
<tr>
<th>Ln/Cr/Tf</th>
<th>Approval</th>
<th>Signing</th>
<th>Effectiveness</th>
<th>Closing</th>
<th>Net Commitment</th>
<th>Disbursed</th>
<th>Undisbursed</th>
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<tbody>
<tr>
<td>IDA-48110</td>
<td>30-Sep-2010</td>
<td>17-Nov-2010</td>
<td>21-Jan-2011</td>
<td>31-Dec-2016</td>
<td>50.00</td>
<td>48.90</td>
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</tbody>
</table>

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

II. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES
The overall implementation of MMDP II is rated as moderately satisfactory, with 97.8% total disbursement rate of International Development Association (IDA) funds. The total execution of IDA and counter-part funding (Maputo Municipal Council, and Government of Mozambique) has reached 92%.

Four out of seven Project Development Objective (PDO) indicators have been achieved, two are on the right track to be achieved (DUATs, and building license time), and only one (mean user perception of quality public services) might not be achieved.

The overall implementation of the Project components are progressing as planned, but due to the sharp devaluation of the Metical in relation to SDR and USD, the project has 'gained' a total of approximately USD 2 million as several contracts were signed in Metical, and thus now will cost much less in USD terms.

At the same time, during the execution of two major works (Rehabilitation of Avenida Julius Nyerere, and Rehabilitation of the Informal Settlement in Chamanculo C), CMM and the Bank task team identified critical drainage interventions that are needed in order to improve significantly the social and environmental impacts of the project.

In order to improve the drainage situation of Chamanculo C, CMM intends to build an additional drainage canal along the Tindzau road and increase the drainage passage in N1.

In order to improve flood and erosion control along Avenida Julius Nyerere, CMM intends to rehabilitate the existing drainage canal 1 and 2 in Rua dos Palmares, increase the absorption capacity of the existing drainage system at the critical flooding points along the avenue, and extend the drainage canal of Ravina 3. The CMM will also build a drainage canal along the top of the hillsides to better direct rain storm towards the existing canals and protect critical slopes with hydro-cement in order to reduce the risk of potential erosion.

Additional time will also permit the CMM to renovate an existing food market in an informal settlement that was assigned to the street vendors that were affected by the works that rehabilitated Avenida Julius Nyrere, but which is in very bad conditions (one of the entries blocked, roof and roof structure falling, broken stands).

Considering this, the Borrower has requested a second and final extension of the project closing date of six month in order to execute these critical additional drainage works. The proposing closing date would be June 30, 2017.

There are no audits outstanding.

### III. DETAILED CHANGES

#### LOAN CLOSING DATE(S)

<table>
<thead>
<tr>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Original Closing</th>
<th>Revised Closing(s)</th>
<th>Proposed Closing</th>
<th>Proposed Deadline for Withdrawal Applications</th>
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</thead>
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