



**CONSELHO MUNICIPAL DE MAPUTO**

**PROJECTO TRANSFORMAÇÃO URBANA DE MAPUTO  
(PTUM)**

**PROJECT PROCUREMENT STRATEGY FOR DEVELOPMENT  
(PPSD)**

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## 1. PROJECT OVERVIEW

<b>Country:</b>	Republic of Mozambique
<b>Full Project Name:</b>	Maputo Urban Transformation Project
<b>Total Finance (\$):</b>	USD 100 Million
<b>Project Number:</b>	P171449
<b>Summary of Project Development Objectives</b>	To improve urban infrastructure and strengthen institutional capacity for sustainable urbanization in Maputo .

### 1.1. Project Summary

The Maputo Urban Transformation Project is aimed to improve urban infrastructure and strengthen institutional capacity for sustainable urbanization in Maputo City.

**The project will help the Municipal Council of Maputo (CMM) to implement the most challenging and transformative urban infrastructure investments and reforms.** This includes strengthening the municipal response to the Covid-19, reducing urban infrastructure deficits, and building solid foundations for sustainable urban development. The project will finance improvements in drainage, sanitation, roads and public spaces as well as socioeconomic inclusion actions in the most vulnerable neighborhoods of Maputo City. The project will finance rehabilitation or construction of storm-water system, improvements in selected public spaces, including socioeconomic inclusion actions to support the revitalization of Maputo’s city center. The project will support a more sustainable future urban growth of Maputo City by financing improvements in municipal solid waste management, including a new landfill and closing of Hulene Dumpsite, as well as implementation of urban plans and priority infrastructure in the KaTembe Municipal District. The project will provide project implementation support and institutional strengthening to CMM. Finally, the project will include also a Contingency Emergency Response Component to facilitate access to rapid financing by reallocation of uncommitted project funds in the event of a natural disaster.

The project’s implementation strategy is based on a phasing approach in order to sequence implementation based on priorities, level of technical complexity, and implementation readiness. During the first phase of implementation (years 1-2), the project will focus mostly the project will adopt a “tactical urbanism” approach that includes low-cost, simple to implement, and scalable interventions to support the CMM’s respond to the COVID-19 pandemic, while in parallel, supporting the finalization of the more complex technical studies and designs for the larger infrastructure investments. During the second phase (years 2-5), the project will support the execution of these priority urban infrastructure in the selected informal settlements, in the city center, and in the Katembe Municipal District. Throughout the project implementation cycle

(years 1-5), the project will support the urban management reforms and institutional strengthening efforts, as well as socioeconomic development including actions to address Gender Based Violence (GBV) in the areas of intervention.

The Project Development Indicators are:

- People benefiting from improved urban infrastructure in selected informal settlements in Maputo (number, gender disaggregated).
- Area benefiting from reduced flooding in the city center of Maputo (Hectare)
- Improved safe disposal of solid waste in Maputo's sanitary landfill (Metric tons/year)
- Increased municipal own source revenues from urbanization-based finance (Percent/year)

The project will have five components:

#### COMPONENT 1: INFORMAL SETTLEMENTS UPGRADING (US\$ 42.5 MILLION)

Component 1 aims to support the CMM to implement the Integrated Informal Settlements Upgrading Program in the most vulnerable neighborhoods of Maputo City. This includes improving urban infrastructure to reduce the incidence of recurrent flooding, increase access to safe water and sanitation, and improve accessibility. The geographic targeting of the intervention was based on a spatial analysis and mapping that ranked all neighborhoods in Maputo city according to three criteria: (i) poverty density, (ii) access to urban infrastructure; and (iii) exposure to climate hazards (flooding). Based on this vulnerability mapping, 20 neighborhoods were selected<sup>1</sup> forming a contiguous area of about 15.6 km<sup>2</sup> around the formal city (cidade cimento) where about 264, 054 people currently live (2017 Census)<sup>2</sup>. The project will also help to reduce risk of COVID-19 transmission in the hotspot areas of Maputo and mitigate the economic impact on the most vulnerable population. The identification of these hotspots will be based on the COVID-19 Risk Map of Maputo City prepared by the National Special Development Program (Programa de Desenvolvimento Espacial) in collaboration with the National Health Institute (Instituto Nacional de Saude)<sup>3</sup>. The project will also finance the preparation of technical studies, engineering designs, and specific safeguards instruments.

##### Subcomponent 1.1 Tactical Urbanism for COVID-19 Response (US\$ 8 million/Years 1-2)

During the first phase of implementation, the project will focus on rapid deployment of small scale, low-cost, and scalable urban solutions to reduce COVID-19 community transmission in the hotspot areas of Maputo City. This will be combined with simple urban infrastructure investments that are labor intensive to help mitigate the economic impacts of COVID-19 in Maputo City such as rehabilitation of open spaces, local roads, and alleys. These interventions will target areas that are often used for different informal activities (informal markets, children's recreation, sport fields, etc.). But because of their informality and high-density, these areas have been mapped as potential COVID-19 hotspots. Moreover, during rains, these areas flood easily and retain water, increasing the risk of waterborne diseases, such as diarrhoea, cholera and malaria. Many of these places have also been mapped as areas of high incidence of GBV, particularly at night, due to lack of public lighting. The project will also support community-based waste collection, recycling, and composting to reduce risk of COVID-19 contamination and to promote income generation.

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1 Selected neighborhoods: Aeroporto B, Xipamanine, Chamanculo D, Chamanculo B, Unidade 7, Maxaquene A, Minkadjuine, Urbanização, Munhuana, Aeroporto A, FPLM, Inhagóia B, Mafalala, Nsalene, Chamanculo A, Luís Cabral, Inhagóia A, Mavalane B, Mavalane A e Malanga.

2 Neighbourhoods that will receive large investments from other development partners were excluded: Chamanculo C, Maxaquene B, Maxaquene C, Maxaquene D, Polana Caniço A and Polana Caniço B.

3 <https://www.mozgis.gov.mz/portal/apps/webappviewer/index.html?id=d4283219503545b8bff2d4561b9b4434>

As such, the project will finance: (i) installation of 20 COVID-19 Community Response Units, one in each neighborhood, following the technical guidance from the Instituto Nacional de Saude; (ii) deployment of 100 small water systems for hand washing; (iii) rehabilitation of 20 open areas, one in each neighborhood, into multi-functional community spaces; (iv) rehabilitation of 20 km of local pedestrian pathways, including public lighting; and (v) installation of 20 waste recycling units in each neighborhood. The project will also improve social distancing and sanitary conditions in high risk municipal services most used by the urban poor, such as municipal markets and public transport terminals, where public hand-washing units will be installed, public toilets constructed or rehabilitated, social distancing signage deployed, and active mobility lanes created to offer alternatives to congested transport routes. The project will also support training of community volunteers and municipal workers on COVID-19 response.

#### Subcomponent 1.2 Integrated Infrastructure Upgrading in Informal Settlements (US\$ 27.5 million/Years 2-5)

During the second phase of implementation (years 2-5), the project will focus on the rehabilitation and construction of larger and more complex urban infrastructure in the selected informal settlements, including:

**Drainage.** The project will improve the macro and micro drainage infrastructure in these areas to reduce the occurrence of floods. Based on the analysis of the sub-basins and the existing drainage systems (3 and 4), the project identified the need to finance: (i) construction of 24 km of macro drainage channels interconnected with the existing drainage systems of the city to collect storm-water from the micro drainage which will be also built in each section of the neighborhood; (ii) construction of 75,000 m<sup>3</sup> of retention ponds to reduce overall discharge, and thus the cost of macro-drainage; and (iii) 90,000 m<sup>3</sup> of micro drainage and green infrastructure (retention, discharges) to allow rain water to drain at the local level.

**Local Roads.** The project will improve accessibility of the most isolated residential areas by connecting them to the existing road network in and around the selected neighborhoods. This will allow vehicles and minibuses (chapas) to access these populated areas in all weather conditions. Spatial analysis using municipal road classification data, and up-to-date street mapping, identified the areas which have the lowest connectivity to jobs and services. These areas also have the highest poverty rates within the selected informal settlements. As such, the project will finance the pavement of 7.6 km of local roads with lateral drainage ditches. These local roads will include signage to improve non-motorized vehicle and pedestrian safety, and solar-powered public lighting to reduce urban violence and crime.

**Water and Sanitation.** The project will help to improve the quality of life of the inhabitants of selected informal settlements living in the most precarious sanitary conditions and with limited access to water. For households without safe sanitation, the project will finance the construction of 2,400 shared sanitary modules with water connection serving a maximum of 25 people each. For households that do not have any type of water supply within their plots, the project will finance 5,500 water connections in their yards. The project will also support the improvement and expansion of faecal sludge management, including the construction of 2 transfer stations. The project will also strengthen the community-based organizations that provide removal and treatment services.

**In-Situ Resettlement.** While the project interventions in informal areas will always try to avoid or minimize resettlement, when necessary, the project will finance in-situ resettlement of social (housing) and (formal and informal) economic activities except for land acquisition. This will include financing the construction of residential or commercial structures for people affected by the project, providing them with access to water, sanitation and electricity, in the same

neighborhood or not more than 5 km away from their original location, and socioeconomic support after resettlement.

#### Subcomponent 1.3 Socioeconomic Inclusion Program (US\$ 2 million/Years 1-5)

In addition to the investments in physical infrastructure, the project will finance technical assistance to help CMM promote socioeconomic inclusion and GBV prevention in selected informal settlements. The project will finance the engagement of NGOs to facilitate the preparation of Socioeconomic Inclusion and Gender Based Violence Reduction Plans in each neighborhood. Out of the plans, the project will finance the implementation of key priorities to promote greater gender equality, reduce gender-based violence (GBV), and support job creation among youth<sup>4</sup>.

#### Component 1.4 Land Regularization Performance Based Condition (US\$ 5 million)

The project will provide incentives in the form of a PBC to scale up land regularization targeting in order to enhance land tenure security for the families without formal land use rights titles (DUATs) in the selected informal settlements. This PBC will be disbursed according to the number of land-use rights titles (DUATs) issued to female head-of-household or jointly with their partners. This PBC will cover CMM's expenditures related to land surveys, updating the municipal land cadaster, preparing detailed spatial plans (PPs), public awareness and information on provisional claims, legal support and conflict resolution, and other costs to obtain DUATs. This PBC may also cover shared expenditures with the upgrading of the urban infrastructure in the selected informal settlements under this component.

### COMPONENT 2: MAPUTO CITY CENTER REVITALIZATION (US\$ 21 MILLION)

Component 2 aims to support the CMM to revitalize the city center by improving the storm water system in the city center to reduce flooding in the lower areas. Major flooding has caused not only significant material damages in buildings, vehicles and urban infrastructure, but also contributed to the closure of businesses and many inhabitants to leave the city center, leading to economic decline and loss of its traditional housing function. The project will also support the implementation of socioeconomic inclusion actions targeting the most marginalized population that live on streets and abandoned buildings and have their subsistence based on informal activities in the city center. The project will support the preparation of technical studies, engineering designs, and specific safeguards instruments.

#### Subcomponent 2.1 Drainage Rehabilitation in the City Center (US\$ 16 million/Years 2-5)

The project will support the rehabilitation and expansion of the drainage system 1 of the city center. Following the Maputo Metropolitan Drainage and Sanitation Master Plan, the project will finance the construction of: (i) 4 km of new rainwater collectors linking the drainage system in the upper areas of downtown to the discharges in the sea; (ii) 20,000 m<sup>3</sup> of distributed detention and infiltration ponds with green infrastructure to increase natural absorption and store stormwater before releasing into the drainage system at a controlled rate; (iii) 4 backflow tidal gates to prevent seawater flooding the drainage discharges during periods of high tides; and (iv) 4 new discharge chambers. The project will also finance the rehabilitation of 5 km of the combined drainage-sanitation network to improve its operation.

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<sup>4</sup> The project will adapt the methodology used in the "Safe City Free of Violence Against Women and Girls" (Maputo Cidade Segura Livre de Violencia contra Mulheres e Raparigas) pilots carried out in 2016 by CMM with support of UN-Women, Universidade Eduardo Mondlane / Centro de Coordenacao de Assuntos do Genero, and Spanish Cooperation.

The project will finance technical assistance to support CMM to undertake regulatory reforms and institutional changes needed to improve the overall management and financial sustainability of municipal stormwater services. This includes establishing a drainage tariff and a dedicated institutional structure in charge of municipal stormwater management. The project will also help CMM to create regulatory and financial mechanisms to incentivize developers to build stormwater storage and retention areas within the site before discharging into the drainage network.

#### Subcomponent 2.2 Promoting Socioeconomic Inclusion the City Center (US\$ 1 million)

The project will help the municipality implement a socioeconomic inclusion program in the city center targeting the most vulnerable people. The project will finance a socioeconomic survey and the engagement of NGOs to better understand and address the challenges facing the most vulnerable groups in the city center, including the homeless, sex-workers, and informal workers. The project will also finance the development of a Municipal Social Cadaster System, which will be piloted to register the vulnerable population, and to monitor the impact of the municipal socioeconomic inclusion programs.

#### Sub-Component 2.3 Property Tax Reform Performance-Based Condition (US\$ 4 million)

The project will provide incentives in the form of a PBC to undertake regulatory reforms and institutional changes needed to improve property tax (IPRA) revenue capacity. This PBC will be disbursed according to the approval and operationalization of the new property tax system including: (i) operationalization of an electronic property tax payment system; (ii) adoption of an urban property tax that better captures the real market value, and introduces a progressive valuation index for disincentivizing non-productive use of land; and (iii) consolidation of IPRA, solid waste tariff, and the new drainage tariff collection into a single bill, which includes also information about how the revenue collected will be expended by the municipality. This PBC will cover CMM's expenditures related to the implementation of the new property tax system, including property tax assessments, updating the municipal fiscal cadaster, public awareness and communication campaigns on the new property tax system, legal support and conflict resolution, modernization of property tax collection, consolidation of IPRA, SWM tariff and drainage tariff billing system, and updating the physical addressing system. This PBC may also cover shared expenditures with the drainage rehabilitation in the city center under this component.

### COMPONENT 3: SUSTAINABLE URBAN GROWTH (US\$ 30 MILLION)

Component 3 will support the CMM to promote a more sustainable urban development of Maputo City. Firstly, the project will support the implementation of guided urban development schemes in the KaTembe Municipal District where most future urban growth is projected to take place. The project will also support the municipality to improve solid waste management in a more environmentally and socially sustainable manner. The project will also finance the preparation of technical studies, engineering designs, and specific safeguard instruments.

#### Subcomponent 3.1 Guided Urban Land Development in KaTembe Municipal District (US\$ 6 million/Years 1-2)

The project will support the CMM to implement land demarcation and main urban infrastructure to better guide urban development in KaTembe. Spatial analysis carried out during project preparation identified possible scenarios of urban growth in KaTembe, including areas more suitable for urban development, and areas where urbanization should be controlled or avoided such as on rights of way for future infrastructure, ecologically sensitive zones, and flood prone areas. Based on this spatial analysis, the project will finance interventions to control informal urban development in the areas not suitable for urban development, and interventions to support

urban development in the areas more suitable for urban growth. This includes: (i) preparation or revision of urban planning instruments such as PGU, PPU, and PP; (ii) demarcation of the rights of way for 31 km of roads, 50 Km<sup>2</sup> of protected area and public equipment; (iii) construction of secondary and tertiary roads with drainage, water and sanitation trunk lines and main systems to induce urbanization in priority execution units (Unidades de Execução); (iv) implementation of site and services for low income families, including demarcation of 1,500 plots, construction of core housing structures to benefit 100 families currently living in high-risk flooding areas in KaTembe; and (v) support to implement a socioeconomic inclusion program targeting the most vulnerable population in KaTembe, particularly the families that will be relocated to the sites and services areas.

The project will also finance technical assistance to support the CMM to implement land readjustment mechanisms to help align the existing land structure with the directions of the KaTembe General Urban Plan, and to leverage land-based finance to implement urban infrastructure<sup>5</sup>. The project will also finance technical assistance to support CMM undertake regulatory reforms and institutional changes needed to improve efficiency and transparency of the municipal land administration system. This will include making key information of the municipal land cadaster publicly available via internet, implementing an online system to request, analyze and issue DUATs, construction and occupancy permits.

### Subcomponent 3.2 Solid Waste Infrastructure Improvement (US\$ 20 million/Years 1-5)

The project will support the CMM to manage waste in an environmentally and socially sustainable manner through the construction of its first sanitary landfill and the decommissioning of the Hulene dumpsite. During the first year of implementation, the project will finance the preparation of feasibility studies, environmental and social impact assessments, detailed engineering designs, safeguard instruments for the new landfill and for the decommissioning of the Hulene dumpsite, and options for participation of the private sector in operations and management.

During the second phase (years 2 and 3), the project will finance the construction of the new landfill. Based on recent studies and plans, the new landfill will receive an average daily influx of 1,600 tons of waste over 15 years, but this volume could be reduced if recycling, composting and reducing practices increase. This will require a total capacity of 12 million m<sup>3</sup> (at 0.85t / m<sup>3</sup>) and a massif approximately 50 meters high, which is feasible for the current area reserved in the Municipal District of KaTembe. The construction of the landfill will also include drainage, water retention and leachate treatment, as well as equipment for recycling and composting. The project will finance the rehabilitation of 9 km of access road. The project will also help CMM to reserve an additional area for future expansion of the landfill.

In parallel, the project will support CMM to implement the second phase of the plan to reduce the environmental risks and to decommission the Hulene dumpsite<sup>6</sup>. This will include: (i) stabilization of the remaining unstable slopes; (ii) improvement of the drainage and rainwater retention and leachate drainage systems; (iii) construction of a building for the management of the operation; (iv) complete the peripheral sealing; (v) installation of lighting and auxiliary works; (vi) construction of a screening shed and a composting unit; (vii) acquiring equipment for pruning and leachate collection; and (viii) installation of a unit for the processing of organic waste for the production of organic compost.

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<sup>5</sup> With the support from the Cities Resilience Program, the project is providing technical assistance to CMM to analyze the potential of land value capture in KaTembe Municipal District and in the city center.

<sup>6</sup> The CMM received technical and financial support from the Government of Japan (Ministry of Environment) to implement the first phase of the plan to stabilize and start the decommissioning of the Hulene Dumpsite which is expected to be concluded in March 2021. The project will adopt the same approach and cover the financial gap in order to implement the second and final phase.



The project will also finance the preparation and implementation of a Socioeconomic Inclusion Plan for waste-pickers and marginalized people who current work and live in and around the dumpsite. This include support to formalization of waste pickers, improvement in working conditions, training on health issues, waste recycling and composting, and retraining programs to support transitioning to other economic activities.

#### Sub-Component 3.3 Solid Waste Management Performance Based Condition (US\$ 4 million)

The project will provide incentives in the form of a PBC to strengthen key aspects of the SWM system in order to improve financial, environmental, and social sustainability. This PBC will be disbursed according to: (i) improvement in overall cost-recovery ratio of municipal SWM services; (ii) support formalization and reintegration of informal waste-pickers to resource their subsistence; and (iii) increase in the volume of recycled or reutilized waste. This PBC will cover CMM's expenditures with the implementation of activities to strengthen the overall SWM services in Maputo City, including technical assistance to assess options for improving cost-recovery of SWM, technical and legal assistance to support negotiations and conflict resolution in the contracts with private service providers; technical assistance to develop and implement private sector options for the management and operation of the new landfill and decommissioned dumpsite, support to adopt new technologies for capturing methane gas, modernization of SWM monitoring equipment, public awareness and communication campaigns on circular economy, updating the SWM Municipal Master Plan. This PBC may also cover shared expenditures with the construction of the new sanitarian landfill and the decommissioning of the Hulene dumpsite.

#### COMPONENT 4: PROJECT IMPLEMENTATION AND INSTITUTIONAL SUPPORT (US\$ 6.5 MILLION)

**Project Implementation Unit.** The project will support the CMM to manage project implementation in accordance with World Bank policies. This includes financing the operational costs of establishing a Project Implementation Unit composed of a project coordinator, a monitoring and evaluation specialist, a social safeguards specialist, an environmental safeguards specialist, a financial management expert, a procurement specialist, accountant, office assistant and drivers. The project will also finance other operational costs including financial audits, independent verification of PBCs, acquisition of ICT and office furniture, rehabilitation of office space, office goods and vehicles needed for the project implementation.

**Policy Reform and Urban Infrastructure Technical Teams.** The project will support CMM to establish a team of senior experts to advise and facilitate the implementation of the main reforms supported by the project in the areas of: (i) urban planning and land management; (ii) municipal tax policy and financial management; (iii) urban infrastructure; (iv) solid waste management; (v) social inclusion and gender; and (vi) good municipal governance. The project will also support CMM to establish a technical urban infrastructure unit which will be responsible for the technical studies and conceptual designs, composed of a team leader, senior and junior specialists in the areas of: (i) urban planning and land management; (ii) solid waste management; (iii) water and sanitation; (iv) architecture; and (v) social inclusion and gender.

**Institutional Strengthening.** The project will finance technical assistance and capacity building activities to improve CMM capacity in good governance, including administrative modernization, human resource management, citizen participation and social accountability, and decentralization of administrative functions to municipal districts.

## COMPONENT 5: CONTINGENCY EMERGENCY RESPONSE (US\$0.00 million)

The Contingency Emergency Response Component will facilitate access to rapid financing through the reallocation of uncommitted project funds in the event of an Eligible Crisis or Emergency. Specific details about this component (including activation criteria, eligible expenditures, specific implementation arrangements, and staffing) will be part of the Contingency Emergency Response Manual.

### Crosscutting Considerations

**Gender** considerations were taken into consideration in the design of the project to help CMM address gender based violence and gender gaps across the project components. Anecdotal evidence points to project-relevant gender gaps between males and females both in terms of how men and women participate in the identification of municipal investment projects and how they exercise their land rights. In particular, the study noted that women are not aware of their right to participate in municipal planning processes and how planned activities or investments can impact women. The project will incorporate these gender considerations into municipal policy changes and institutional reforms, as well as in the investment to improve access to urban infrastructure and services, to land tenure security and, and to local economic development opportunities. The project will roll-out a gender vulnerability assessment in all the interventions areas, which will inform the development of a Gender Action Plan (GAP) within the first 6 months of the project to help CMM to identify other gender challenges that exist, and ways to address them. Once the GAP's recommended mitigation activities are defined, the project will support CMM in implementing recommended actions to address gender gaps and gender based violence in all intervention areas. The GAP will also seek to ensure that women who are members of vulnerable groups in the project areas are informed of their rights to property ownership. Targeted training financed under the project will: (i) gender approaches to urban planning, land management, urban infrastructure and municipal services; (ii) gender sensitive urban planning and design (iii); and, (iii) GBV Response. Additionally, the PMIS and the Municipal Integrated Social Cadaster will help to produce gender disaggregated data and, in turn, hard statistics on rates of gender gaps, female property ownership, and GBV. This data will inform the GAP analysis and will continuously help CMM to make informed decisions to improve women's access to urban infrastructure and land tenure. In particular, the gender disaggregated spatial statistics will allow the agencies to tailor public outreach activities during the SLR process towards more gender-inclusive messages in communities where women's property ownership rates are lower than others. These actions will be monitored by measuring the (i) number of neighborhoods with urban plans implemented incorporating recommendations from gender assessments; and, (ii) number of women that benefited from improved land tenure in Maputo.

**Climate change** considerations will be addressed in all of the project's components. In Component 1, one of the main criteria for selecting informal settlements was climate risk, which was constructed based on the best available flooding mapping and meteorological data of Maputo. In Component 2, reducing flooding in the Baixa was identified as the main bottleneck in the way of inner-city revitalization. Component 3 will tackle the growing problem of encroachments in the vast natural flooding plains of KaTembe. Moreover, all public infrastructure financed under the project will be designed and constructed to take into account changing climate conditions. The project will finance the construction and rehabilitation of flooding control, integrated transport

system, and active mobility solutions (footpaths, bike lanes), which will reduce the impact of increased frequency and intensity of rainfall and reduce future climate emission. Increased tenure security allows owners and occupants to feel secure enough to leave their land and property in the event of severe climatic events with increased assurance that they could return to the same land or property and receive adequate compensation in case of permanent damages to property. Secure property rights and clear ownership titles would also increase incentives for owners to invest in high-quality building materials, and proper connections to water and electricity networks that are essential for climate change resilience. The project will also include energy-efficient street lighting, which has significant climate mitigation co-benefits. Finally, the project will support regulatory reforms and institutional changes that will incentivize the private sector to include climate co-benefit considerations to promote the concept of green building, energy-efficient, individual storm water reservoirs, and primary sewerage treatment systems for domestic reuse, and reducing of discharge and contamination in the environment. Climate consideration will be measure by the overall project's contributions to mitigate the impact of climate change.

**Covid-19 considerations.** The project will support CMM's effort to implement the Municipal Action Plan for Covid-19 Response (see Annex 5), focusing on: (i) implementation of Municipal Emergency Operational and Management Center and Continuity Plan; (ii) monitoring the spread and impact of Covid-19 in each municipality; (iii) slowing and reducing transition in urban areas; (iv) focusing protection on high risk groups; (v) strengthening key municipal services, including basics health, sanitation and social assistance, and municipal policy; (vi) expanding community outreach and communication; and (vii) mitigating the economic and social impact though support to local SMEs, informal economy, and labor intensive infrastructure and services.

**Citizen engagement** will be promoted to ensure political inclusion and representation, public consultations with non-state actor stakeholders and feedback mechanisms. A multi-stakeholder project advisory committee supported by thematic working groups has been established at the early stage of project preparation to inform the project design and monitor the project implementation. Public consultations will support the formulation of policy reforms and institutional changes, spatial and sector plans, and prioritization of investments financed by the project. Finally, the project will apply a project information management and remote supervision system that will allow not only the Bank and the Government to closely monitor the project implementation across all geographic areas, but also serve as a beneficiary/users' feedback instruments for public information about the project, and for providing feedback and complaints. Civic engagement will be monitored by measuring (i) the number of people participating consultation during planning and implementation of project activities; and, (ii) the percentage of people satisfied with the participatory mechanisms supported by the project (desegregated by gender and age).

## **1.2. Main Procurement arrangements and Packages**

Procurement for the proposed operation will be carried out in accordance with the 'World Bank Procurement Regulations for IPF Borrowers' (dated July 1, 2016, revised November 2017 and August 2018), and the provisions stipulated in the Financing Agreement. Furthermore, the 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants' (dated October 15, 2006, and revised in January 2011 and July 2016) will apply.

The Maputo Urban Transformation Project implementation will require procurement of Consultancy Services, Non-Consultancy Services, procurement of Goods and Works.

**Consultancy Services:** Quality- and Cost-Based Selection will be the main method for the selection of consulting firms, including Urban development plans, design and supervision of infrastructures such as storm water and drainage/sewer systems; roads, among others. Occasionally, consulting services may be procured through Selection Based on the Consultants' Qualification and Least-Cost Selection procedures, whenever its complexity and cost assignments justify the adoption of such methods. Individual Consultants will mainly be selected following competitive procedures. This method will be applicable for Technical Advisors, Senior Technicians and Junior Technicians to provide technical support to various municipal departments.

**Goods and Non-Consultancy Services:** Goods and Non-consulting Services will be procured as recommended by the PPSD, with the Request for Bids as the main method, including for the procurement of service providers to provide support to CMM to implementing Social Inclusion Plan; Addressing System; Unique Social Registry; Reforms of IPRA, Physical-Fiscal Registry and Generic Values Plan; Remote Urban Soil Management System; Multi-annual Expenditure Plan and Programmatic Budget. The procurement of motor vehicles, office equipment, information technology equipment, office supplies and consumables, outreach and communication services, minor scattered sundries, among others, including COVID-19 prevention products, will be generally procured through the Request for Quotations. The Mozambique Procurement Regulation (Decree 5/2016 of March 8, 2016) can be used under the project as it has been accessed and meets generally the World Bank core procurement principles.

**Works:** Works for the Project will be procured with the Request for Bids as the main method, including the procurement of the construction of four new underground storm water collectors; underground retention ponds; construction of backflow tidal gates; improvements to pedestrian pathways, street lighting; an intermodal transport terminal; construction of drainage infrastructure; construction or rehabilitation sewer systems; construction or rehabilitation of urban road and secondary roads, among others. The Mozambique Procurement Regulation (Decree 5/2016 of March 8, 2016) can be used under the project as it has been accessed and meets generally the World Bank core procurement principles.

The Request for Bids/Request for Proposals document shall require that bidders/proposers submitting bids/proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the World Bank's Anti-Corruption Guidelines, including without limitation the World Bank's Right to Sanction and the World Bank's Inspection and Audit Rights.

## **2. OVERVIEW OF COUNTRY, BORROWER AND MARKETPLACE**

### **2.1. Operational Context**

#### **Governance aspects**

Over the last 15 years, the country has adopted a comprehensive legislative and institutional framework to address governance and corruption, covering areas such as the administration of justice, business regulation, state-owned enterprises (SOEs), and the financial sector.

In recent years, Mozambique's economy has been hit by a series of shocks, including the fall in commodity prices, a drought, and the recent devastation by Cyclones Idai and Kenneth that affected the central and northern provinces, and now the Covid-19. The disclosure in spring 2016 of the two SOEs' previously hidden debt, amounting to approximately 11 percent of 2015 GDP, worsened the blow by leading to a withdrawal of donor support. This situation prompted the government and the international community to reexamine Mozambique's governance framework.

#### **Economic Aspects**

Mozambique is strategically located, bordering Tanzania, Malawi, Zambia, Zimbabwe, South Africa, and eSwatini, with a long Indian Ocean coastline of 2,500 kilometers facing east to Madagascar. It has three deep seaports (Maputo, Beira and Nacala) and a relatively large potential pools of labor. Four of the six countries bordering the country (Zimbabwe, Zambia, Malawi and eSwatini) are non-coastal, and therefore dependent on Mozambique as a channel to international markets. Around 66% of country's population of 28 million (2017) live and work in rural areas, endowed with plentiful arable land, rivers and lakes, energy, as well as mineral resources and recently discovered natural gas offshore.

The Country has experienced solid and sustained economic growth over the last two decades. GDP has been evolving progressively since 1994, and GDP *percapita*, particularly in the health and education sectors show continuous improvement. Real GDP growth averaged 7.0 percent between 2000 and 2017, mostly supported by a number of large-scale foreign investment projects in the extractive sectors, large donor support and the discovery of large gas reserves in the Rovuma basin. Conversely, the GDP has been decelerating to approximately 2¼ percent year-on-year from the second quarter of 2019, highly affected by a lower results in the agricultural sector that performed to below the average of 3.7% experienced between 2016 and 2018, and the lowest growth recorded since 2000 when Mozambique experienced devastating floods in the southern region of the country. Inflation declined to around 2¼ percent (year-on-year) in October, from about 5 percent a year earlier, as tight monetary conditions more than offset the supply shock to prices induced by the cyclones. The exchange rate has been broadly stable; and international reserves at the Bank of Mozambique increased to about US\$3.9 billion at end-October, covering 6¾ months of next years' projected non-megaprojects imports.

The expectation for 2020 was for a strong rebound in economic activity and low inflation, with real GDP growth projected to reach 5½ percent in 2020, from 2.1 percent projected for 2019, supported by post-cyclones reconstruction efforts, a recovery in agriculture, and economic stimulus from further gradual easing of monetary conditions and clearing of domestic payments

arrears to suppliers. Construction and other activities should also be boosted by investments in the liquefied natural gas (LNG) megaprojects. Inflation is projected to remain low, increasing slightly to 5 percent at end-2020, from 3 percent at end-2019. However, with the unpredicted occurrence of Covid-19 worldwide, it is expected that growth will reduce further in 2020 to 1.1 percent amid declining global demand for Mozambique's key exports and increasing impact of Covid-19 on economic activity.

In the medium-term, Mozambique's growth outlook is more optimistic but still subject to additional risks. Prolonged fall in demand and commodity prices and muted growth expectations for key trade partners might delay economic recovery. Armed insurgencies in the center and north of the country is likely to increase poverty as people get displaced. It is still too early to assess the full impact of Covid-19 on the economy. An improved outlook could be expected if LNG investments advance as initially planned in 2020 and agriculture production is robust. If so, growth is set to recover to 3.6 in 2021 and 4.5 percent in 2022.

### **Sustainability Aspects**

The civil works within the project will mainly consist of (i) opening and rehabilitation/paving of access roads and secondary and tertiary roads; (ii) opening and improvement of drainage systems (macro and micro drainage); (iii) improvement of public lighting; (iv) construction of small water systems; (v) improvement of environmental sanitation (public toilets, solid waste management and sorting centers); (vi) construction and improvement of public spaces and integrated aid center for communities; (viii) construction of infrastructure associated with involuntary resettlement; (ix) allocation of DUATs and land regularization; (x) construction of markets and open spaces for fairs and street markets; (xi) (xi) rehabilitation of Avenida 25 de Setembro. Consequently, it is expected that the environmental and social risks and impacts arising from the project will be barefaced due to proposed activities and interventions of Components 1, 2 and 3.

It is expected that project proposed investments do not require physical or economic displacement of persons. The project interventions in informal settlements will always try to avoid or minimize resettlement. However, when necessary, the project will finance *in situ* resettlement of social and economic activities with the exception of land acquisition, for people affected by the project, providing them with access to water, sanitation and electricity, in the same neighborhood or not more than 5km away from their original location.

The project location and details of physical interventions or material and equipment supply are not yet known as such, and an Environmental and Social Management Framework (ESMF) has been prepared outlining the: (i) hierarchy mitigation measures for impacts and risks (noise and vibration, excavation and land clearance, hazardous and non-hazardous waste, airborne pollutants and dust emission, traffic and transport of material, safety-related; (ii) safeguards capacity building and implementation arrangements, and (iii) guidance on preparation and use of Environmental and Social safeguards sub-instruments. Moreover, the ESMF including the monitoring of safeguard activities, codes of conduct, Gender and GBV prevention actions and sexual harassment procedures, has been costed and included in the overall project budget.

**Regarding the project location**, the selected areas for investments are: 20 selected neighborhoods located in a contiguous area of about 14.4 km<sup>2</sup>, comprising of 237,068 residents in high population density areas with great vulnerability receiving investments, for upgrading informal resettlements under Component 1; Baixa, the Maputo downtown density area with relevant historic and cultural heritage, for revitalization of the city center by improving the storm water system in the city center to reduce flooding in the lower areas under Component 2; as well as, KaTembe, a vast area (174 km<sup>2</sup>) with a population of 32,248 and sensitive areas to be considered, as the natural area of mangroves, small rivers and ciliary vegetation, relevant to reduce climate change issues, for supporting the CMM at the implementation of guided urban development schemes in the KaTembe Municipal District as well as improvement of solid waste management in a more environmentally and socially sustainable manner under Component 3.

**Key environmental risks are related to:** (i) water flow obstruction, and minimal water pollution due to construction-related activities; (ii) potential loss of habitat due to dredging or placement of dredged material and potential impacts to endangered species, if any; (iii) potential damage to sensitive areas, natural and/or critical habitats, as well as cultural heritage; (iv) community health and safety, including temporary impacts caused by civil works, coexistence with workers, presence and movement of heavy machines and equipment, road traffic safety, increased dust and noise and some disturbances of neighborhood level, among others; (v) occupational health and safety as small and medium civil works are expected for most of the components, not only in the context of densely populated urban areas, at high flood risk, subject to a high level of informal settlement coupled with weak zoning enforcement, but also in environmentally sensitive areas; (vi) solid and liquid waste management mainly due to management and disposal of construction and hazards waste; (vii) increased noise, vibration, air pollution (dust) levels, and soil erosion.

**Key social risks are related to:** (i) land acquisition and involuntary resettlement; (ii) labor issues; (iii) community health and safety; (iv) Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH); (v) cultural property. Other risks include social conflict, marginalization of urban poor and exclusion of the poor from the city center. Risks of economic displacement and gentrification are also relevant, especially in Baixa and KaTembe. The resettlement where necessary should be only *in-situ*, ideally in the same neighborhood or at least in the same municipal district, in a way to minimize relocation to available municipal land which is often distant from jobs and lack basic infrastructure. Construction needs will require use of manual labor, some, if not all, of which is expected to come from peri-urban and rural areas. Labor influx can potentially lead to SEA/SH and other social risks which will need to be managed. Community health and safety can be potentially impacted due to the construction process especially in high density urban areas and urban informal settlements where people may face increased risk of accidents and health impacts such as those related to air pollution. Further, the project will preserve historical buildings in Maputo that can lead to stakeholder conflict unless the process is managed with the involvement of all stakeholders.

Some of these risks may be aggravated due to the COVID-19 pandemic, which presents Governments with unprecedented challenges. Addressing COVID-19 related issues in both existing and new operations starts with recognizing that this is not business as usual and that circumstances require a highly adaptive responsive management design to avoid, minimize and manage what may be a rapidly evolving situation, which prognosis, as well as mid and long term impacts are difficult to predict. Measures to manage COVID-19 transmission risks to workers and the community will be incorporated as part of the mitigation measures for managing environmental and social risk of the project.

As per the **Gender-Based Violence** (GBV) risk screening tool, the project GBV/SEA/SH risk is rated as **Moderate**. A comprehensive risk assessment of both contextual and project related GBV risks should be completed with technical support on GBV by Project Appraisal. Depending on the results of this risk assessment, a GBV Action Plan may be prepared to lay out the nature of interventions in the topic.

During the preparation stage of this project, a “Climate and Disaster Risk Screening Report for Maputo Urban Transformation Project in Mozambique” was prepared, confirming the high exposure rating of the project location to natural hazards. As the project aims at upgrading the most vulnerable informal settlements, provide technical assistance to urban planning and land management as well as to address climate risks, the proposed modulation of risks by the project’s soft components resulted in a reduction of the risk, and the potential impact was classified as **Moderate**.

### **Technological Aspects**

Technical Design of Project Risk is Substantial. The project will finance integrated urban infrastructure investments that, although not large in scale, are technically complex by nature, and require not only strong technical capacity, but also strong project management capacity. A substantial Project Preparation Fund (PPF) was requested by the CMM to help with the technical aspects of project preparation, including undertaking technical feasibility studies, socio-economic impact assessments, and preparing investment design packages. The proposed project will use IPF with PBCs as a financing instrument. IPF will be channeled to fund priority works and technical assistance, while PBCs will help to incentivize changes in more difficult to implement institutional changes. The CMM has previous experience in implementing two operations with IPF, but this will be the first time PBCs will be utilized. Project design has carefully considered the delimitations of PCBs to prevent delays in the release of funds and to incentivize progress in strengthening urban management functions.

### **Key Conclusions**

The political environment, institutions and the economic and social policy of the country are favorable for the implementation of the Project. The project implementation agency is familiar with both World Bank and Government rules and procedures for procurement and financial control, which will enable smooth implementation of the project.

The prospects for the evolution of the country's economic situation do not pose any risks to the implementation of the project. There is no substantial risk relating to the technological aspects. Nevertheless, due to the relatively high requirement of ICT equipment, application software customization and Management Information Systems the implementing agency shall take into consideration the complexity and challenges for procurement and management of contracts of ICT equipment and services.



## 2.2. Client Capability and PIU Assessment

### Experience and capability of implementing agency

The Project Implementation Agency has a record of execution of a number of contracts similar to the required for the MUTP Project and have acquired adequate capabilities in Contract Management. However, taking into account that the former Project PROMAPUTO II management staff were all outsider consultants, therefore, no know-how left in the Municipality, CMM will need to recruit capable and experienced procurement, financial and monitoring and evaluation team to perform and manage activities under the project. Thus, the project will have a Project Implementation Unit (PIU) consisting of a project coordinator, financial management, procurement, safeguards, and monitoring and evaluation.

### Need for Technical Support

A team of technical experts, consisting of technical advisors, senior technicians and junior technicians, among others, will be recruited to provide support to each municipal department responsible for each component of the project. The project will ensure technical assistance on the matters of capacity building.

### Complaints Management and Dispute Resolution Systems

The project will establish and follow the administrative process of resolving complaints and disputes that may arise in the implementation of the MUTP Projects in compliance with Article 275 of Decree 5/2016 of March 8, on Procurement of Public Works, Supply of Goods and Rendering of Services to the State, as well as the procedures established in the World Bank's Regulations for IFP Borrowers, dated July 2016 and revised November 2017 and August 2018.

### SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"><li>• CMM Council ownership and commitment to execute the project.</li><li>• CMM has prior experience of working with the World Bank funded projects (PROMAPUTO I and PROMAPUTO II). The institutional memory in the system will be a major contributing factor towards the project management.</li><li>• CMM have qualified personnel (engineers, architects, environmentalists, etc.) with relevant experience in implementing large scale projects of similar nature and complexity.</li><li>• The domestic market is able to offer most of the goods and services required for the project competitively and it is familiar with the government</li></ul>	<ul style="list-style-type: none"><li>• CMM institutional capacity risks associated with coordination of multiple line departments during implementation;</li><li>• Decision making not exercised at project level – it is centered at high level (CMM Council) only.</li><li>• Limited capacity of the CMM departments to accurately develop TORs, technical specifications and quantities.</li><li>• Limited capacity of the CMM members included in the Evaluation Committee to carry out the</li></ul>

<p>and World Bank's procurement procedures.</p> <ul style="list-style-type: none"> <li>• Maputo City is much advanced in terms of availability of contractors/suppliers/service providers. The city has a strong presence of potential suppliers and contractors for most of the activities.</li> </ul>	<p>evaluation of bids/proposals;</p> <ul style="list-style-type: none"> <li>• Inadequate office facilities to accommodate PIU and Technical Team to perform comfortably their activities.</li> <li>• Inadequate internet services</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>• Strong competition for civil works contracts.</li> <li>• Good participation of Consultants, Contractors and Suppliers in tenders.</li> <li>• Strengthen the capacity of local companies (participation as main suppliers / contractors/service providers, through joint ventures/associations).</li> <li>• Well-developed local construction market with strong local companies.</li> <li>• CMM may leverage from the experience it has gained about the market from the implementation experience of previous PROMAPUTO I and II Projects.</li> <li>• The use of M&amp;E and MIS for the project will help monitor the implementation of project activities in a timely and consistent way.</li> <li>• Project envisages technical support to various CMM departments through technical team experts hired during project preparation to build technical expertise.</li> <li>• Improvement of intersectorial and municipal coordination.</li> </ul>	<ul style="list-style-type: none"> <li>• Concentration of specialized construction industry around multinational companies.</li> <li>• Local construction companies can mainly compete on their own for high added-value services or associate with foreign robust companies.</li> <li>• Collusion between local contractors may lead to limited bids with higher value.</li> <li>• Financial capacity limitations of local companies may inhibit its participation in large amounts contracts.</li> </ul>

## Key Conclusions

Although CMM holds experience of execution of PROMAPUTO I and II, similar to the required for the Maputo Urban Transformation Project, management staff were all outsider consultants, hence, no expertise left in the Municipality. Former *Gabinete de Desenvolvimento Estratégico e Institucional* (GDEI) was also staffed by outside personnel and the Department was discontinued after closure of PROMAPUTO II.

CMM will need to recruit capable and experienced procurement, financial and monitoring and evaluation team to perform and manage activities under the project. Thus, the project will have a

Project Implementation Unit (PIU) consisting of a project coordinator, financial management, procurement, safeguards, and monitoring and evaluation. Procurement need to be staffed with an additional procurement specialist due to the complexity of the project and work load.

It is greatly remarkable the deep commitment of the CMM management at high level for the successful implementation of the project. The fact that the project will finance technical support to CMM by contracting experts from various areas of specialities will build institutional capacity within the CMM to better implement proposed activities. It is expected that the capacity remains after project closure. However, decision making need to be decentralised giving authority to GDEI director and to the Project Coordinator for speediness of the implementation of the activities and minimise time consumption in internal procedures.

Evaluation Committees shall be composed by personnel with expertise in the subject under evaluation. Involvement of the municipal councillors (Vereadores) in the evaluation teams may hinder the required rapidness of the processes and reduce quality of evaluation reports, taking into account multiple tasks that they are involved within the municipality, other than the project activities.

CMM will need to provide office facilities, equipment and means to both PIU staff and technical team to comfortably perform their tasks.

The Mozambican procurement legislation has rules and procedures to deal with complaints and disputes. Information on procurement operations are regularly disclosed and published to enhance transparency and fair competition.

### **3. MARKET ANALYSIS**

#### **3.1. Market Sector Dynamics**

An analysis of key focus areas for procurement under the project and its markets was carried out as part of the preparation of this PPSD. Procurement section has had detailed discussions with other sector experts executing Bank financed projects pertaining to similar projects as a starting point data for market research. Additionally, it was taken help of internet based information to identify the different potential players in the market for the various key procurements under the project, market size of suppliers etc., as summarized below.

The Mozambican market has seen substantial development in recent years, partly driven by the need to respond to the demand for goods, services and works in quantity, quality and level of technological development required by major investment projects in the extractive industry and other sectors. This dynamic is also manifested by the increased presence of international providers. Thus, for Goods and Non-consulting services the use of the National Open competition will be sufficient to ensure an adequate competition and the supply of goods and services other than consultancies with desired quality and fair price. The international competition will be used when the value or nature of the contract requires it. However, for Works contracts mostly amounted above US\$ 15 million it will be used the international open competition due to high value and their complexity. Consultancy services will follow national open competition for individual consultants and small valued assignments. Assignments valued above US\$500,000 will follow international open competition.

The Goods, Services and Works required for the project may be procured competitively in the domestic market with opening to foreign suppliers. International competition will be considered for specific or high value contracts.

- Mozambique has a relatively developed market of motor vehicles, Goods such as Office equipment and IT Equipment required for the implementation of the Project. The providers/suppliers are well connected to international manufacturers. Depending upon the numbers to be procured and cost estimates **RFQ/RFB** with Open National Approach will be used.
- Due to nature and complexity of the Consultancy Services to be undertaken, national and international Consultants will be needed for provision of consulting services for (i) preparing studies and technical projects for integrated intervention in informal settlements; (ii) preparing studies and technical projects for drainage and sanitation for the downtown area; (iii) preparing studies and technical projects for mobility in the downtown area; (iv) preparing studies and technical projects for the improvement of public spaces and urban facilities; (v) elaboration of technical studies and executive project of infrastructures in KaTembe urban district; (vi) Supervision of works. The project plans to select the consultancy service providers on the basis of **QCBS** for high value assignments. Small and low value assignments will follow under **QBS/CQS**.
- Non-Consulting Services will be used to procure potential providers that will be needed for provision of services related to national and international leverage: (i) Implementation of social inclusion plan; (ii) implementation of reforms of the IPRA, Physical-fiscal Registry and Generic Values Plan; (iii) Implementation of Regulatory and Institutional Drainage reforms; (iv) implementation of urban mobility reforms; (v) implementation of land value capture instruments; (vi) implementation of multi-annual expenditures plan and program budget, and other services are well represented in the Mozambican market including some international consulting companies. **RFB/RFQ** with open national and international approach will be used for procurement of Non-consultants services, depending on the size of the contract.
- Contractors, national and international, will be procured to perform contracts for (i) construction of Drainage, Sanitation, Mobility, Public Spaces and urban equipment works; (ii) land demarcation works, networks and urban infrastructure systems and basic urbanization. The providers/suppliers and contractors are familiarized with Government procurement procedures and keen to do business with the government. **RFB/RFQ** with open national and international approach will be used for procurement of Works, depending on the size of the contract.

### **3.2. List of prospective Consultants/Suppliers/Contractors**

This is an indicative list of prospective national consultants/suppliers/contractors for various procurement requirements under the project components that have been created during the market research. Depending on the size and complexity of the assignment, the Project will follow an

Open National or International Market Approach. Procurement arrangements will be mentioned case to case in the Procurement Plan.

### List of potential Consultants, Suppliers and Contractors for the Project

<b>Consultancy services</b>		
<b>Consultant's name</b>	<b>Core Business Area</b>	<b>Home office</b>
ARCUS Consultores Lda	Engineering, technical studies, works supervision, Quality Assurance	Maputo
ARQUIPLAN – Arquitectura e Planeamento Limitada	Engineering, technical studies, works supervision, Quality Assurance	Maputo
AR Projectos	Engineering, technical studies, executive projects	Maputo
ATA – Abdul Azize Tajú, Arquitecto	Engineering, technical studies, executive projects	Maputo
BRUNO VEDOR	Engineering, technical studies, works supervision, Quality Assurance	Maputo
COBA – Consultoria e Ambiente Lda	Engineering, technical studies, works supervision, Quality Assurance	Maputo
CONSULTEC, Lda	Engineering, technical studies, works supervision, Quality Assurance	Maputo
COTOP Consultoria Técnica de Obras Públicas Lda	Engineering, technical studies, works supervision, Quality Assurance	Maputo
COWI Moçambique, Lda	Engineering, technical studies, works supervision, Quality Assurance, EIAs	Maputo
Crafford & Crafford (Mozambique) Lda	Engineering, technical studies, works supervision, Quality Assurance	Maputo
EQUILÍBRIO – Soluções de Engenharia Lda	Engineering, technical studies, works supervision, Quality Assurance	Maputo
FERRO Arquitectos Lda	Engineering, technical studies, works supervision, Quality Assurance	Maputo
FORJAZ Arquitectos	Engineering, technical studies, works supervision, Quality Assurance	Maputo
GMSC - Geological Management Services & Consulting Ltd	Engineering, technical studies, works supervision, Quality Assurance	Maputo
HARQUITECTOS, Lda	Engineering, technical studies, executive projects	Maputo
IMPACTO - Projectos e Estudos Ambientais	Environmental Studies	Maputo
MF&A - Matos, Fonseca & Associados Moçambique, Lda	Engineering, technical studies, works supervision, Quality Assurance	Maputo
Nippon Koei Moçambique Lda	Engineering, technical studies, works supervision, Quality Assurance	Maputo
NIRAS Moçambique Lda	Engineering, technical studies, works supervision, Quality Assurance	Maputo
NRV Moçambique Consultores de Engenharia	Engineering, technical studies, works supervision, Quality Assurance	Maputo
PROSPECTIVA MZ	Engineering, technical studies, works	Maputo

	supervision, Quality Assurance	
REVITA Mozambique Lda	Engineering, technical studies, works supervision, Quality Assurance	Maputo
RIPORTICO Engenharia Moçambique Lda	Engineering, technical studies, works supervision, Quality Assurance	Maputo
RNC Consultoria, Engenharia e Desenvolvimento	Engineering, technical studies, executive projects	Maputo
SALOMON LDA - Moçambique	Engineering, technical studies, works supervision, Quality Assurance	Maputo
SIPCA-MZ – Consultores de Engenharia Lda	Engineering, technical studies, works supervision, Quality Assurance	Maputo
TECNICA Engenheiros Consultores	Engineering, technical studies, works supervision, Quality Assurance	Maputo
TMC - Consultoria & Empreendimentos, S.U., Lda	Engineering, technical studies, works supervision, Quality Assurance	Maputo
TTC – Think Tank Consulting Lda	Engineering, technical studies, works supervision, Quality Assurance	Maputo
VERDE AZUL	Environmental Studies	Maputo
<b>Suppliers of Goods and Non-Consultants Services</b>		
<b>Supplier's name</b>	<b>Core Business Area</b>	<b>Home office</b>
Dataserv lda	IT Equipment and Software's	Maputo
Bytes & Pieces	IT Equipment and Software's	Maputo
Triana Bisuness Solutions	IT Equipment and Software's	Maputo
Ehiko Electronics Traders SA	IT Equipment and Software's	Maputo
Computerland Lda	IT Equipment and Software's	Maputo
SAHARA Computers	IT Equipment and Software's	Maputo
Computer World Lda	IT Equipment and Software's	Maputo
EIS Soluções Lda	IT Equipment and Software's	Maputo
Soluções Lazer Mozambique Lda	IT Equipment and Software's	Maputo
DC-CM Infrmática e Serviços	IT Equipment and Software's	Maputo
BSA Sistemas	IT Equipment and Software's	Maputo
Real Business Lda	IT Equipment and Software's	Maputo
Safelyline Mozambique Lda	IT Equipment and Software's	Maputo
EM Technology Lda	IT Equipment and Software's	Maputo
Toyota de Moçambique SA	Vehicles	Maputo
Entrepasto Comercial de Moçambique	Vehicles	Maputo
Interauto Lda	Vehicles	Maputo
Ronil AUTO	Vehicles	Maputo
Técnica Industrial	Vehicles	Maputo
Caetano & Equipamentos	Vehicles	Maputo
Mobílias Douradas	Office Furniture	Maputo
SIDAT Office Solutions	Office Furniture and Equipment	Maputo
L. Duarte dos Santos	Office Furniture	Maputo
Tecnostral Lda	Office Furniture and Equipment	Maputo
SOTUX Lda	Office Furniture and Equipment	Maputo
SGL Lda	Office Furniture and Equipment	Maputo

<b>Contractors</b>		
JULEN Construções	Civil works	Maputo
Nadhari Opway	Civil works	Maputo
Canol Construções	Civil works	Maputo
SS Construções	Civil works	Maputo
Ropweb Lda	Civil works	Maputo
SHH Construções	Civil works	Maputo
Tecnil Construções	Civil works	Maputo
Jiangsu Geology & Engineering Co., Ltd	Civil works	Maputo
EPIDEPU Lda	Civil works	Maputo
JJR Construções	Civil works	Maputo
BLM Construções	Civil works	Maputo
ZAIDA Construções	Civil works	Maputo

#### **4. PROCUREMENT RISK ANALYSIS**

Large number of the high value procurement activities will involve selection of contractors, non-consulting services and consulting services. Procurement items for Goods are low value to medium value. Apart from delays in evaluating bids by the Evaluation Committee, contract management delays and disputes are potential problem areas. Detailed risk assessment matrix is given below:

<b>Risk Description</b>	<b>Risk Rating</b>	<b>Description of Mitigation</b>	<b>Risk Owner</b>
Procurement capacities of the existing staff in the line departments and the procurement staff in the Central Acquisition Department are not familiar with the Banks new Regulations.	High	CMM will establish the PIU. The Bank procurement team will work closely with the client to enhance its capacity and allow to use the advantages and flexibility of NPF to get the better development results with adequate focus on results and value for money.	CMM
Quality control of civil works under the project. There is a lot of civil works envisaged under the project, managing that may pose challenges during implementation and cause delays.	Moderate	All civil works quality check will be done by the specific department staff. If needed the project will hire a third party for doing the quality control for the project.  CMM to ensure that adequate contract monitoring measures are in place, to enable timely implementation and reduce the likelihood of delays and cost variations.	CMM
Lengthy internal procurement reviewing process that may cause project implementation delays.	Substantial	Adopt operation procedures for project implementation with step by step procedures, responsibilities and timelines requirements for procurement activities, actions and decisions.	CMM
Stretched period to evaluate proposals by the evaluation committees may cause project implementation delays	High	CMM to ensure that the Evaluation Committee members have time allocated and appropriate experience and technical skills in carrying out evaluation processes.  The evaluation criteria to be clearly identified	CMM

		and described. CMM need to outsource experienced and specialized engineers on a case to case basis to assist the implementing agent in technical evaluation of bid packages for works and specific non-consulting services to alleviate the burden on operating and systems planning personnel	
Limited participation of foreign bidders due to COVID-19.	High	CMM to assess the use of technology/on-line tools (pre-bid meetings, bid openings, bid submissions, negotiations) to minimize disruption due to the limitations imposed by COVID-19.	CMM

The overall procurement risk rating is: **High**

## 5. PROCUREMENT OBJECTIVES

The project procurement objectives are the following:

- Carry out the procurement and selection of Non- Consulting Services and Consulting Service providers with the adequate capacities and qualifications to provide the services and assistance to Project Implementation Agent (CMM) necessary for the successful implementation of the planned activities, including the preparation of tender documents with Terms of Reference and appropriate Specifications as well as ensuring that contract templates are designed taking into account the specificities of equipment, services and works.
- Adequate implementation of consultants contracts assuring that the services are completed successfully with quality acceptable to the Project Implementing Agency.
- Ensure that Goods and equipment are procured at the most competitive market rates and are delivered with the required technical specifications.
- Ensure that Works are procured at the most competitive market rates and that Contractors perform with high quality standards in accordance to the Executive Project.

## 6. RECOMMENDED PROCUREMENT APPROACH FOR THE PROJECT

The capacity to be developed inside the PIU for procurement and the existence in the local market of an adequate number of suppliers of goods, works and services other than consultancies for urban infrastructures development can support processes of national competitive procurement. Competition will be open to qualified national and foreign contractors without limitations and selection will be conducted through RFB, respecting legally defined thresholds.

As capacity of local consultancy firms for design of plans and projects for urban infrastructures in informal settlements, solid waste management, waste water, drainage and sanitation systems looks not enough to carry out studies in a value for money and timely manner, International competitive procurement will be used for the procurement of firms (QCBS method). These firms will prepare studies and designs and carry out the supervision of works. Biddings for Designs and technical



studies will be open to international firms through RFP procedures. The option will be to hire consulting firm(s) for Technical Design, other(s) for Environmental and Social Studies, and other(s) firm(s) for Works Supervision. Due to the high level of quality necessary for the design, the implementation of works and the supervision of the construction process, the selection of firms will be open to international thorough RFP procedures.

For selection of consulting firms for development of studies for unique municipal social Registry, support the implementation of the modernization of administrative processes, elaboration of legal and technical studies for IPRA and LVC revenues maximization, and other small valued studies, the approach to open national competitive procurement will be employed and CQS will be used, while for small assignments not requiring a combination of expertise, such as elaboration of the methodology for updating the Physical tax registry, the generic map and the IPRA calculation, Individual Consultants will be engaged through CQS method in an open national competitive.

For procurement of contractors for works in Baixa and KaTembe, the best option will be RFB through international Competitive approach.

For the key staff positions for project implementation unit (Project coordinator, procurement specialist, monitoring and evaluation specialist, financial management specialist, social and environment safeguards specialists) procurement arrangements will be the one prescribed in sub-clause 7.32 of the Banks Procurement Regulations.

For smaller value low-risk procurement of goods and services for PIU, Technical Team and other implementing units, a national competitive procurement approach will be used: Office Equipment, IT Equipment, Office supplies and Consumables and other miscellaneous and scattered goods.

The proposed procurement approach is fit-for-purpose and will provide value for money, first of all through ensuring that designs and construction of sanitation and drainage systems are delivered in a cost-efficient and timely manner, and are of high quality.

Consultants may associate with other consulting firms in the form of a consortia or a sub-consultancy to enhance their qualifications. However, the experience of the sub-consultant will not be considered as short listing. The leading company is expected to contribute at least 40% of working time. The team of the leading company may be a member of the company or can be hired from the market, but will be part of the leading company, supervised and paid for by the leading company. Documentation must be presented in the technical proposal for proof. Score will be differentiated in the adequacy and quality criteria of the proposed methodology and work plan to respond to the degree of direct involvement of the leading company.

For assignments involving the preparation of engineering projects and other technical studies that have a direct link with the successful implementation of subsequent interventions, a clause should be specified that the client will withhold the payment of 10% until the bidding is completed and the next consultant completes the review of the projects and technical studies prepared by the consultancy. In addition, the RFP should clearly state that all project and study defects must be corrected by the consultant in charge and if the variation is beyond 10 %, this may affect future selections.

## 6.1. Procurement Approach for Non-Consultancy Services

**Table 1:** Contracting of Service Providers for execution of: Social Inclusion Plans and Combating Gender-based Violence; Addressing System; Reforms of IPRA, Physical-Fiscal Registry and generic Values Plant; Regulatory and Institutional Drainage Reforms; Social Inclusion Plans at KaTembe district; Reform to the construction licenses and the issuance of DUATs; Multi-annual Expenditure Plan and Programmatic budget; Unique municipal Social Registry; Remote Urban Soil Monitoring System; Land Regularization; Social Inclusion Plan in the Maputo City Centre; Land Value Capture Instruments in KaTembe.

ATTRIBUTE	SELECTED ARRANGEMENT	JUSTIFICATION SUMMARY
<b>Specifications</b>	Performance	Non-Consultancy Services to be procured will benefit from the capability of the Service Providers to bring their own expertise and design user tailored solutions.
<b>Sustainability Requirements</b>	No	
<b>Contract Type</b>	Traditional	
<b>Pricing and costing mechanism</b>	Lump Sum/Time based	Lump Sum or Time Based will be determined as appropriate based on the nature of each consulting assignment.
<b>Supplier Relationship</b>	Collaborative	Most of the non - consultancy assignments are not short term. CMM and service providers will need to share interests and objectives. It is therefore expected that service providers and CMM be in collaborative relationship to ensure the success of implementation.
<b>Price Adjustments</b>	Fixed price/ Negotiated	Some of the contracts expected are to be executed in relatively long term and others in relatively short time. Price adjustments should be applicable for long term contracts (such as more than 18 months), if justified.
<b>Form of Contract (Terms and Conditions)</b>	None Specific	
<b>Selection Method</b>	Request For Bids (RFB)	RFB will be used for selection of Non-Consulting Services when detailed requirements to which Bidders shall respond in offering bids can be specified in detail.
<b>Selection Arrangement</b>	None	
<b>Market Approach</b>	Open National/International Single Stage One Envelope	International market approach will be used for relatively large assignments or for which international experience and capabilities are important and beneficial to the project implementation.  Open National approach will be used for small value non-consulting assignments.
<b>Pre / Post Qualification</b>	Post-Qualification	

<b>Evaluation Selection Method</b>	Qualifying Criteria	The minimum requirements for qualification will be inserted in RFB documents taking into account the nature of the non-consulting services to be provided.
<b>Evaluation of Costs</b>	Adjusted Bid Price	
<b>Domestic Preference</b>	No	
<b>Rated Criteria</b>	Most advantageous Proposal	

## 6.2. Procurement Approach for Goods

**Table 2:** Acquisition of IT Equipment, Vehicles, Office Furniture and Office Supplies/Consumables

<b>ATTRIBUTE</b>	<b>SELECTED ARRANGEMENT</b>	<b>JUSTIFICATION SUMMARY</b>
<b>Specifications</b>	Conformance	The goods to be procured are vehicles, computers, office equipment, office furniture and office supplies.
<b>Sustainability Requirements</b>	No	
<b>Contract Type</b>	Traditional	Traditional Contract
<b>Pricing and costing mechanism</b>	Lump Sum	Lump Sum
<b>Supplier Relationship</b>	Adversarial	The goods shall be delivered on the agreed schedule and comply with the required technical specifications and negotiated final price.
<b>Price Adjustments</b>	Fixed Price	Fixed Price
<b>Form of Contract (Terms and Conditions)</b>	None Specific	
<b>Selection Method</b>	Request for Bids (RFB) Request for Quotations (RFQ)	Given the relatively small value of the goods to be procured RFB and RFQ methods are appropriate.
<b>Selection Arrangement</b>	None	
<b>Market Approach</b>	Open National Limited Single Stage Single Envelope	Given the low value of the goods to be procured Open National competition is deemed adequate considering that the supply market can provide the goods with adequate competition.
<b>Pre / Post Qualification</b>	Post Qualification	
<b>Evaluation Selection Method</b>	Qualifying Criteria	The minimum requirements for qualification will be inserted in RFB or RFQ documents taking into account the nature of the Goods to be provided
<b>Evaluation of Costs</b>	Adjusted Bid Price	Lowest Evaluated Cost
<b>Domestic Preference</b>	No	
<b>Rated Criteria</b>	Most Advantageous Proposal	

### 6.3. Procurement Approach for Works

**Table 3:** Construction of Drainage, sanitation, public spaces and urban equipment; Construction of Network and Urban Infrastructure Systems and Basic Urbanization in KaTembe including Land Demarcation Works.

ATTRIBUTE	SELECTED ARRANGEMENT	JUSTIFICATION SUMMARY
<b>Specifications</b>	Conformance	The works are not large in scale but are technically complex by nature, and require not only strong technical capacity, but also strong project management capacity
<b>Sustainability Requirements</b>	No	The Works consist mainly in urban infrastructures, namely: (i) construction of Drainage, Sanitation, Public Spaces and urban equipment works; (ii) land demarcation works, networks and urban infrastructure systems and basic urbanization.
<b>Contract Type</b>	Traditional	Traditional Type contract is adequate for the expected civil works.
<b>Pricing and costing mechanism</b>	Lump Sum or Schedule of Rates.	Lump Sum or Schedule of Rates
<b>Supplier Relationship</b>	Adversarial	It shall be ensured that the contractors will execute the contracts properly, within the cost, in accordance with the required standards and on due time.
<b>Price Adjustments</b>	Fixed Price Price Adjustment	Some of the contracts expected are to be executed in relatively long term and others in relatively short time. Price adjustments should be applicable for long term contracts (such as more than 18 months).
<b>Form of Contract (Terms and Conditions)</b>	None Specific	No special conditions required.
<b>Selection Method</b>	Request for Bids (RFB)  Request for Quotations (RFQ)	Request for Bids for relatively complex contracts.  Request for Quotations are appropriate for small Works contracts.
<b>Selection Arrangement</b>	None	
<b>Market Approach</b>	Open/International Open/National Single Stage One Envelope	International Competition will be followed for relatively complex contracts. National but open competition will be appropriate for small and simple in nature works.
<b>Pre / Post Qualification</b>	Post	
<b>Evaluation Selection Method</b>	Qualifying Criteria	The minimum requirements for qualification will be inserted in RFB/RFQ documents taking into account the nature of the works to be executed.
<b>Evaluation of Costs</b>	Adjusted Bid Price	
<b>Domestic Preference</b>	No	
<b>Rated Criteria</b>	Most Advantageous Proposal	

#### 6.4. Procurement Approach for Consultancy Services

**Table 4:** Consulting Services to prepare studies and projects on integrated intervention of informal settlements; Consultancy services for the preparation of studies, projects and plans for investments in drainage infrastructure in the Maputo City Centre; Technical Studies and Executive Project for Infrastructures Development in KaTembe.

ATTRIBUTE	SELECTED ARRANGEMENT	JUSTIFICATION SUMMARY
<b>Specifications</b>	Performance	Consultancy Services to be procured will benefit from the ability of the Consultants to bring their own expertise and design user tailored solutions, as appropriate.
<b>Sustainability Requirements</b>	No	
<b>Contract Type</b>	Traditional	
<b>Pricing and costing mechanism</b>	Lump Sum	Lump Sum will be determined as appropriate based on the nature of the consulting assignments
<b>Supplier Relationship</b>	Collaborative	Although consultancy assignments are less than 18 months, CMM and consultants will be sharing interests and objectives. It is therefore expected that consultants and CMM be in collaborative relationship to ensure the success of implementation
<b>Price Adjustments</b>	Fixed price	Price adjustments should not be applied. Contracts duration less than 18 months.
<b>Form of Contract (Terms and Conditions)</b>	None Specific	
<b>Selection Method</b>	Request for Proposals (RFP) for Consulting Services	International competitive procurement will be used for the procurement of firms under QCBS method through RFP procedures
<b>Selection Arrangement</b>	None	
<b>Market Approach</b>	Open International One Stage Two Envelopes	Open International approach will be used for the consultancy contracts. International market approach will be used for the assignments as they are relatively large and complex in nature. International experience and capabilities are important and beneficial to the project implementation.
<b>Pre / Post Qualification</b>	Short list	Consulting firms only
<b>Evaluation Selection Method</b>	Quality-Cost Based Selection (QCBS);	Quality-Cost Based Selection (QCBS) will be the preferred Selection Method for the assignments.
<b>Evaluation of Costs</b>	Financial proposal price	
<b>Domestic Preference</b>	No	
<b>Rated Criteria</b>	Most Advantageous Proposal	

**Table 5:** Consultancy services for the preparation of Environmental and Social Studies for Components 1, 2 and 3.

<b>ATTRIBUTE</b>	<b>SELECTED ARRANGEMENT</b>	<b>JUSTIFICATION SUMMARY</b>
<b>Specifications</b>	Performance	Consultancy Services to be procured will benefit from the ability of the Consultants to bring their own expertise.
<b>Sustainability Requirements</b>	No	
<b>Contract Type</b>	Traditional	
<b>Pricing and costing mechanism</b>	Lump Sum	Lump Sum will be determined as appropriate based on the nature of the consulting assignment
<b>Supplier Relationship</b>	Collaborative	Although consultancy assignments are less than 18 months, CMM and consultants will be sharing interests and objectives. It is therefore expected that consultants and CMM be in collaborative relationship to ensure the success of implementation
<b>Price Adjustments</b>	None; Fixed price	Price adjustments should not be applied. Contract duration less than 18 months.
<b>Form of Contract (Terms and Conditions)</b>	None Specific	
<b>Selection Method</b>	Request for Proposals (RFP) for consultant services	National competitive procurement will be used for the procurement of firms under QCBS method through RFP procedures
<b>Selection Arrangement</b>	Standard for National Consultants selection process	
<b>Market Approach</b>	Open National One Stage Two Envelopes	Consulting Firms only
<b>Pre / Post Qualification</b>	Short list	Consulting Firms only
<b>Evaluation Selection Method</b>	Quality-Cost Based Selection (QCBS);	Quality-Cost Based Selection (QCBS) will be the preferred Selection Method for the assignments.
<b>Evaluation of Costs</b>	Financial proposal price	
<b>Domestic Preference</b>	No	
<b>Rated Criteria</b>	Most Advantageous Proposal	

**Table 6:** Works Supervision in informal settlements, Drainage and infrastructure development in KaTembe

<b>ATTRIBUTE</b>	<b>SELECTED ARRANGEMENT</b>	<b>JUSTIFICATION SUMMARY</b>
<b>Specifications</b>	Performance	Consultancy Services to be procured will benefit from the ability of the Consultants to bring their own expertise.
<b>Sustainability Requirements</b>	No	
<b>Contract Type</b>	Traditional	
<b>Pricing and costing mechanism</b>	Time Based	Time Based Contract will be determined as appropriate based on the nature of the consulting assignment. Payments tied to deliverables for reports and to phases of supervision
<b>Supplier Relationship</b>	Collaborative	This is a long term consultancy assignment. CMM and consultants will be sharing interests and objectives. It is therefore expected that consultants and CMM be in collaborative relationship to ensure the success of implementation
<b>Price Adjustments</b>	None; Fixed price	Price adjustments may be applicable for long term contracts (such as more than 18 months) if justified; Possible price adjustment in case of delays in the supervision process due to delays in the works
<b>Form of Contract (Terms and Conditions)</b>	None Specific	
<b>Selection Method</b>	Request for Proposals (RFP) for consultant services	International competitive procurement will be used for the procurement of firms under QCBS method through RFP procedures
<b>Selection Arrangement</b>	Standard for international consultants selection	
<b>Market Approach</b>	Open International One Stage Two Envelopes	Open International approach will be used for the consultancy contract taking into account that it is relatively large and complex assignment and international experience and capabilities are important and beneficial to the project implementation.
<b>Pre / Post Qualification</b>	Short list	Consulting Firms only
<b>Evaluation Selection Method</b>	Quality-Cost Based Selection (QCBS);	Quality-Cost Based Selection (QCBS) will be the preferred Selection Method for the assignments.
<b>Evaluation of Costs</b>	Financial proposal price	Payments against deliverables and adjustments may be applied if justified. Contract duration more than 18 months.
<b>Domestic Preference</b>	No	
<b>Rated Criteria</b>	Most Advantageous Technical Proposal	

**Table 7: Performance Based Conditions (PBCs) Technical Verification Services**

<b>ATTRIBUTE</b>	<b>SELECTED ARRANGEMENT</b>	<b>JUSTIFICATION SUMMARY</b>
<b>Specifications</b>	Performance	Consultancy Services to be procured will benefit from the ability of the Consultants to bring their own expertise and experience.
<b>Sustainability Requirements</b>	No	
<b>Contract Type</b>	Traditional	
<b>Pricing and costing mechanism</b>	Time Based	Time Based will be determined as appropriate based on the nature of the consulting assignment
<b>Supplier Relationship</b>	Collaborative	Long term assignment (contract duration more than 18 months). CMM and consultants will be sharing interests and objectives. It is therefore expected that consultants and CMM be in collaborative relationship to ensure the success of implementation
<b>Price Adjustments</b>	Fixed price	Payments against deliverables and adjustments may be applied is justified. Contract duration more than 18 months.
<b>Form of Contract (Terms and Conditions)</b>	None Specific	
<b>Selection Method</b>	Request for Proposals (RFP) for consultant services	National competitive procurement will be used for the procurement of firms under QBS method through RFP procedures
<b>Selection Arrangement</b>	Standard for National Consultants selection process	
<b>Market Approach</b>	Open National One Stage One Envelope	Consulting Firms only
<b>Pre / Post Qualification</b>	Short list	Consulting Firms only
<b>Evaluation Selection Method</b>	Quality-Based Selection (QBS);	Quality-Based Selection (QBS) will be the preferred Selection Method for the assignments.
<b>Evaluation of Costs</b>	Negotiation	Only with best qualified firm
<b>Domestic Preference</b>	No	
<b>Rated Criteria</b>	Most Advantageous Technical Proposal	



**Table 8: External Auditing Services**

<b>ATTRIBUTE</b>	<b>SELECTED ARRANGEMENT</b>	<b>JUSTIFICATION SUMMARY</b>
<b>Specifications</b>	TORs	Conformance to the TORs
<b>Sustainability Requirements</b>	No	
<b>Contract Type</b>	Traditional	
<b>Pricing and costing mechanism</b>	Lump Sum	Payments tied to deliverables/reporting requirements
<b>Supplier Relationship</b>	Collaborative	Consultants and CMM be in collaborative relationship to ensure the success of the assignment
<b>Price Adjustments</b>	Fixed price	Payments against deliverables and adjustments may be applied is justified. Contract duration more than 18 months.
<b>Form of Contract (Terms and Conditions)</b>	None Specific	
<b>Selection Method</b>	Request for Proposals (RFP) for consultant services	National competitive procurement will be used for the procurement of firms under LCS method through RFP procedures
<b>Selection Arrangement</b>	Standard for National Consultants selection process	
<b>Market Approach</b>	Open National One Stage Two Envelopes	Consulting Firms only
<b>Pre / Post Qualification</b>	Short list	Consulting Firms only
<b>Evaluation Selection Method</b>	Least-Cost Selection (LCS);	Least-Cost Selection (LCS) will be the preferred Selection Method for the assignments.
<b>Evaluation of Costs</b>	Financial Proposal only	Least Cost proposal
<b>Domestic Preference</b>	No	
<b>Rated Criteria</b>	Least Cost	

## Key positions for Project Implementation

**Table 10:** Key positions at PIU and Technical Team to be fulfilled for Project implementation

Position	PIU	Technical Team		
		Technical Advisors	Senior Technicians	Junior Technicians
Project Coordinator	1			
M&E Specialist	1			
Financial Management Specialist	1			
Accountant	1			
Procurement Specialist	2			
Social Safeguards Specialist	1			
Environmental Safeguard Specialist	1			
Environmental and Social Safeguards Assistant	1			
Administrative Assistant	1			
Drivers	4			
Financial Management and municipal Tax Advisor		1		
Spatial Planning and Urban Soil Management Advisor		1		
Infrastructure Advisor		1		
Solid Waste Management Advisor		1		
Municipal Governance Advisor		1		
Social Inclusion and Gender Based Violence Advisor		1		
Technical Team Leader			1	
Drainage Senior Technician			1	
Architecture Senior Technician			1	
Social Inclusion and Gender Based Violence Senior Technician			1	
Spatial Planning and Urban Soil Management Senior Technician			1	
Solid Waste Management Senior Technician			1	
Drainage Junior Technician				2
Architecture Junior Technician				2
Social Inclusion and Gender Based Violence Junior Technician				2
Spatial Planning and Urban Soil Management Junior Technician				2
Solid Waste Management Junior Technician				2

**Table 11:** Procurement Arrangements for key positions

<b>Attribute</b>	<b>Selected arrangement</b>	<b>Justification Summary/Logic</b>
<b>Specifications</b>	ToRs of the required services	
<b>Sustainability Requirements</b>	No	
<b>Contract Type</b>	Traditional	
<b>Pricing and costing mechanism</b>	Payment on monthly basis	
<b>Supplier Relationship</b>	Collaborative	
<b>Price Adjustments</b>	None – Fixed prices	
<b>Form of Contract (Terms and Conditions)</b>	Contracts for 12 months term	
<b>Selection Method</b>	In accordance with Bank's procurement Regulation	
<b>Selection Arrangement</b>	Standard for individual consultant's selection process	
<b><u>Market Approach</u></b>	<u>Open/National</u>	
<b><u>Pre / Post Qualification</u></b>	<u>N/A</u>	
<b><u>Evaluation Selection Method</u></b>	<u>In accordance with clause 7.38 of the Bank's Procurement regulations</u>	
<b><u>Evaluation of Costs</u></b>	<u>N/A</u>	
<b><u>Domestic Preference</u></b>	<u>N/A</u>	
<b><u>Rated Criteria</u></b>	<u>N/A</u>	

## 7. SUMMARY OF PPSD TO BE INFORM THE BANK'S PREPARATION OF THE PAD

### 7.1. Achievement of VfM.

- a) Procurement for the project will be carried out in accordance with the World Bank's Procurement Regulations.
- b) Procurement will be carried out by the Project Implementation Unit. Procurement Specialist will assist in the evaluation of all offers. The evaluation will be performed by an Evaluation Committee formed by members of the CMM, Technical Team and PIU members.
- c) The proposed procurement arrangements for each contract category achieves VfM by;
  - i. Ensuring that Open National/International Competitive Procurement is applied to each package
  - ii. Ensuring that competitive bids for all strategically critical packages are obtained and evaluated in the best interests of CMM.
  - iii. Providing equal opportunity to bid on all packages to qualified bidders.
- d) The procurement approach will be based on the size and complexity of the assignment, using the Standard Procurement Document non-works supervision, December 2019 in one stage, with the exception of low-valued contracts that will use national procurement procedures under Decree 5/2016 edited March 8, acceptable to the Bank,.
- e) All offers for Goods, Works and Non-consulting services will be obtained through RFB/RFQ in a single stage one envelope process.
- f) Post-qualification will be required on all packages.
- g) Procurement Approaches for each of package are provided in the Procurement Plan.

### 7.2. Recommended Procurement Approaches

The main sub-components of the Project are related to improvement and upgrading of urban infrastructures, Land Use Tenure Regularization, Land Demarcation, Land Value Capture instruments, Property Tax Reform and Establishment of Policy and Institutional Reform Task Force corresponding to around 90% of the total project costs.

The implementation of the project as described above implies that most of the project, in terms of costs and activities, will be carried out by CMM through the Project Implementation Unit (PIU) and Municipal Departments assisted by the Technical Team.

The project will finance procurement of goods, works, consulting services, non-consulting services and other activities such as training and workshops.

The procurement of **Goods** will include computers and other terminal equipment, office equipment, furniture and vehicles. The domestic market analysis indicates that there are a sufficient number of potential suppliers with the capacity to supply competitively the estimated quantities of the goods with the required specifications. Considering the nature of Goods it is proposed the use of **RFB** method for solicitation of Bids with open national market approach.

For procuring limited quantities of readily available off-the-shelf goods or with standard specifications the **RFQ** method will be used, which is a competitive method that is based on comparing price quotations from firms.

Procurement of Civil Works will consist mainly in urban infrastructures such as construction of drainage, sanitation, mobility, public spaces and urban equipment works, land demarcation works, networks and urban infrastructure systems and basic urbanization.

**Non-Consulting Services** to be procured under the project include procurement of potential providers for provision of services related to national and international pull such as the Implementation of social inclusion plan; implementation of reforms of the IPRA, Physical-fiscal Registry and Generic Values Plan; Implementation of Regulatory and Institutional Drainage reforms; implementation of urban mobility reforms; implementation of land value capture instruments; implementation of multi-annual expenditures plan and program budget, and other services are well represented in the Mozambican market including some international consulting companies. For the procurement of these services the **RFB** or **RFQ** methods will be used, depending of the nature of the services and value of the contract. The market approach will be open national or open International.

**Consulting Services** from firms or individuals will be selected to provide assistance for requirements such as preparing studies and technical projects for: integrated intervention in informal settlements; drainage and sanitation for the downtown area; mobility in the downtown area; improvement of public spaces and urban facilities; elaboration of technical studies and executive project of infrastructures in KaTembe urban district; and Supervision of works. Due to nature and complexity of the Consultancy Services to be undertaken, national and international Consultants will be needed for provision of consulting services. Consultants Services will be selected through Quality and Cost Based Selection (**QCBS**), Quality Based Selection (**QBS**), Less-Cost Selection (**LCS**), Consultants Qualification (**CQS**) based method (firms and individuals) and Direct Selection (**DS**). QCBS will be used for more complex assignments. Consultants will be selected with open national and international market approach depending of the nature and value of the assignment. Direct Selection it is considered for services that are a continuation or a result of previous assignments where the consultants have performed satisfactorily.

### **7.3. Key procurement under the project**

- a. Procurement of Works (total Estimated Cost: US\$63 million) CMM envisages a major work contracts to happen for: Drainage, Sanitation, Public Spaces, Urban Equipment, Land Demarcation, Network and Urban Infrastructure System and Basic Urbanization in KaTembe will follow **RFB method with international market approach**. Detailed information about the major and minor works will be mentioned in the procurement plan.
- b. Procurement of Goods (Estimated Cost: US\$ 200,000) required under the project would include IT equipment, vehicles, office equipment, office supplies and consumables, financial management software will use **RFB/RFQ methods** with national procedures acceptable to the Bank. Appropriate procurement method for each package will be selected and mentioned in the procurement plan.

- c. Non-consulting Services (Estimated Cost: US\$7,4 million) required under the project would include non-consulting services such as service providers for the implementation of: Social Inclusion Plans and Combat of Gender Based Violence; Addressing Systems; IPRA Reform, Physical-Fiscal Registry and Generic Value Plant; Regulatory and Institutional Drainage Reform; Reform in the Construction licenses and the issuance of DUATs; Multi-annual Expenditure Plan and Programmatic Budget; Unique Social Registry; Remote Urban Soil monitoring system; Land Regularization; Social Inclusion Plans in Downtown area; Land Value Capture instruments in KaTembe, will use **RFB/RFQ methods**. Appropriate procurement method will be selected and mentioned in the procurement plan.
- d. Selection of Consultants (Estimated Cost: US\$14 million): there is a large number of consultancies requiring consulting firms either due to the complexity of the assignment or high value contract, namely: Technical Studies, Plans and Projects for: (i) integrated intervention in informal settlements;(ii) Drainage and Sanitation for City Centre (Baixa); (iii) Sustainable Development in KaTembe; (iv) Public Spaces and Urban Equipment for City Centre (Baixa); (v) Improvement of Public Spaces and Urban Facilities; (vi) Addressing, preparing, updating and expanding the Physical and Fiscal Registration; (vii)Updating the Registry, revising the urban management Plan, preparation of PPs and Safeguards Instruentos; (viii) Support the implementation of the modernization of administrative processes; (ix) elaboration of legal and technical studies for IPRA and LVC revenues maximization; (x) elaboration of the methodology for updating physical tax register, the generic figures map and the IPRA calculation; (xi) works supervision. These consultancies will follow under **QCBS** method with Open International market Approach. For Small assignments and Individual Consultants QBS/CQS will be used. As per PPSD, appropriate procurement method will be selected and mentioned in the procurement plan.

#### **7.4. Assessment of National Procedures.**

The Mozambique Procurement Regulation, the Decree 5/2016 of March 8, has been assessed as required under the World Bank's Procurement Framework. The assessment indicated that the Country's Regulations are generally consistent with international best practice for the following reasons: (i) there is adequate advertising in national media; (ii) the procurement is generally open to eligible firms from any country; (iii) contracts documents have an appropriate allocation of responsibilities, risks, and liabilities; (iv) there is publication of contract award information in local newspapers of wide circulation; (v) the national regulations do not preclude the World Bank from its rights to review procurement documentation and activities under the financing; (vi) there is an acceptable complaints mechanism; and (vii) maintenance of records of the procurement process.

However, the request for bids/request for proposals document shall require that bidders/proposers submitting bids/proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the World Bank's Anti-Corruption Guidelines, including without limitation the World Bank's right to sanction and the Bank's inspection and audit rights.

## 7.5. Procurement Plan.

One of the results of the PPSD is procurement plan covering the first 18 months of the program. The procurement plan includes the selection methods, market approach and arrangements to be followed by the Borrower for procurement of goods, works, non-consulting services, and consulting services. The procurement plan will be updated, subject to the World Bank no-objection at least every 12 months, or as required, to reflect the actual project implementation needs.

<b>Contract Title, Description and Category</b>	<b>Estimated cost 1,000 US\$ and risk rating</b>	<b>Bank Oversight</b>	<b>Procurement Approach/ competition</b>	<b>Selection Method</b>
Pickup Double Cab Vehicles	150	Post	Open - National	RFB
Service Provider for Implementation of Social Inclusion Plans and Combating Gender-based Violence	1 500	Prior	Open - International	RFB
Service Provider for execution of Addressing System	100	Post	Open - International	RFB
Service Provider for execution of the Reforms of IPRA, Physical-Fiscal Registry and generic Values Plant	1 000	Post	Open - International	RFB
Service Provider for execution of Regulatory and Institutional Drainage Reforms	500	Post	Open - International	RFB
Service Providers for Implementation of the Social Inclusion Plan at KaTembe district	500	Post	Open - International	RFB
Service Provider for Implementation of Reform to the construction licenses and the issuance of DUATs	500	Post	Open - International	RFB
Service Provider for Implementation of the Multi-annual Expenditure Plan and Programmatic budget	200	Post	Open - National	RFB
Service provider for Implementation of the Unique municipal Social Registry	300	Post	Open - National	RFB
Service Providers for Implementation of the Remote Urban Soil Monitoring System	100	Post	Open - National	RFB
Construction of Drainage, sanitation, public spaces and urban equipment	38 000	Prior	Open - International	RFB
Construction of Network and Urban Infrastructure Systems and Basic Urbanization in KaTembe including Land Demarcation Works	24 000	Prior	Open - International	RFB
Service provider for Implementation of the Land Regularization	2 500	Post	Open - International	RFB
Service provider for Implementation of the Social Inclusion Plan in the Maputo Downtown area	1 500	Post	Open - International	RFB
Service provider for Implementation of Land Value Capture Instruments in KaTembe	300	Post	Open - National	RFB

Supply of Office Furniture	40	Post	Limited	RFQ
Acquisition of office equipment	40	Post	Limited	RFQ
Consulting Services to prepare studies and projects on integrated intervention of informal settlements	1,500	Prior	Open-International	QCBS
Consultancy Services for drainage studies and projects for Baixa da Cidade	500	Prior	Open-International	QCBS
Technical Studies and Executive Project for Infrastructures Development in KaTembe	1,000	Prior	Open-International	QCBS
Consultancy Services to prepare studies and projects for the sustainable development of Katembe	750	Prior	Open-International	QCBS
Works Supervision in informal settlements	1,900	Prior	Open-International	QCBS
Consulting services for public spaces and urban equipment studies and project for Baixa da Cidade	500	Prior	Open-International	QCBS
Works Supervision	500	Prior	Open-International	QCBS
Environmental and Social Studies for Component 1, 2 and 3	300	Post	Open-National	QCBS
Preparation of technical studies and projects for the improvement of public spaces and urban facilities	1,000	Prior	Open-International	QCBS
Works Supervision at KaTembe	720	Prior	Open-International	QCBS
Development of Technical Studies and Projects for Drainage and Sanitation for the Downtown area	1,000	Prior	Open-International	QCBS
Consultancy Services to develop unified social Municipal Registry	100	Post	Open-National	CQS
Consultancy Services for addressing, preparing, updating and expanding the physical and fiscal registration	500	Prior	Open-International	QCBS
Consulting services for Updating the Register, Revising the Urban Management Plan, Preparation of PPs and Safeguards Instruments	500	Prior	Open-International	QCBS
Consulting Services to support the implementation of the Modernization of Administrative Processes	170	Post	Open-National	CQS
PBCs Independent Verification Agent	150	Post	Open-National	CQS
External Auditing	300	Post	Open-National	LCS