

Submission of Proposals: Application Form

Date: 2 May 2011

1. TITLE of PROPOSAL: *“Support for upgrading the Chamanculo C Neighbourhood in accordance with the Global Strategy for Urbanizing and Reordering Informal Settlements in the Maputo Municipality”.*

2. PROPOSAL SUBMITTED BY:

Name and Title: David Simango, Chairman of the Municipal Council
Organization: Maputo Municipal Council

Address: Praça da Independência – Caixa Postal 251, Maputo - Mozambique
Telephone/fax/email: +258 (21) 32 02 67 / +258 (21) 32 00 53
Staff member responsible for project : Luis Bernardo Nhaca, Councillor for Urban Planning and Environment (luis.nhaca@cmmaputo.gov.mz)

Contact for further information about proposal:

Name and Title: Mauricio Monteiro Vieira, Adviser, Strategic Planning.
Organization: Maputo Municipal Council
Address: Praça da Independência – Caixa Postal 251, Maputo - Mozambique
Telephone/fax/email: +258 823131410 / mmonteirovieira@uol.com.br

3. CITIES ALLIANCE MEMBER(S) SPONSORING THE APPLICATION:

Name and Title: Inês Magalhães, National Secretary for Housing
Organization: Ministry of Cities, Brazil
Address : Sector de Autarquias Sul, Quadra 01 Bloco H Lote 1/6 – 11º andar, Edifício Telemundi II – 70070-010 Brasília DF - Brazil
Telephone/fax/email: + 55-61-2108-1783/1772 /55-61-2108-1431 / imagalhaes@idades.gov.br

Name and Title: Jorge Hereda, Vice-President for Government
Organization: Caixa Econômica Federal (CAIXA)
Address: Setor Bancário Sul, Quadra 04, Lotes 3 e 4 – 11º andar – 70092-900, Brasília - DF - Brazil
Telephone/fax/email: + 55-61-3206-6936 / 55-61-3206-9767 / jorge.hereda@caixa.gov.br

Name and Title: Alessandro Gaudiano – Chefe ufficio territoriale América Latina e Fabrizio Nava
Chefe “ufficio territoriale Africa.
Organization: Ministry of Foreign Affairs, General Directorate for Development Cooperation
Address: V. S.Contarini, 25 - 00191 Rome - Italy
Telephone/fax/email: +39 06 3691 6281 / +39 06 3691 6238 / loredana.stalteri@esteri.it

Name and Title: Uri Raich – Team Leader (Water and Urban I – Africa) TTL Maputo Urban Development Program (MMDP)
Organization: World Bank – International Development Association
Address: 1818 H Street N.W. Washington, D.C. 20433 - U.S.A.
Telephone/fax/email: (202) 477 1234/ uraich@worldbank.org

4. RECIPIENT ORGANISATION: – *organisation that will receive and execute the grant:*

Task Manager Name & Title:

Name and title of person responsible for the project : Arq. Luís Nhaca, Councillor.

Organization: Urban Planning and Environment Department

Address: Paços do Município, Praça da Independência – Caixa Postal, 251,
Maputo – Republic of Mozambique.

Telephone/fax/email: +258 210356141/ 84 3272430/ Luis.nhaca@cmmaputo.gov.mz,
nhacaluís@yahoo.com.br

5. OTHER IMPLEMENTING PARTIES (if any):

Name and title of person responsible for the project: Minister Marco Farani

Organization: Brazilian Cooperation Agency (ABC), Ministry of Foreign Affairs, General
Coordination for Received Bilateral Technical Cooperation (GCRB)

Telephone: 55-61-3411-9342 / 55-61-3411-6894

Staff member responsible for project: André Galvão (andre.galvao@abc.gov.br)

INFORMATION ON PROPOSED PROJECT:

6. Type of project (*check one*):

City Development Strategy__ Slum Upgrading_ **X** Both_

7. Geographic scope of project (*specify*):

City: Maputo,)

Country: Mozambique

Global/Regional/Multi-country: Southern Africa

8. Expected duration: 24 months

BUDGET SUMMARY:

9. Amount of total budget requested from Cities Alliance funding: **US\$575,000**

10. Co-financing amount of total budget, including local partners: **US\$ 2,422,800**

11. Total project budget cost: **US\$ 2,997,800**

DESCRIPTION OF PROPOSED PROJECT:

12. Background – issues to be addressed and scope of project

In 2007 a Memorandum of Understanding was signed between the Federative Republic of Brazil and the Italian Republic with the aim of undertaking cooperation activities with third countries. This memorandum resulted in the Italian-Brazilian Triangular Cooperation Program which, according to its official remit, has the "Upgrading of Degraded City Neighbourhoods" as one of its priority thematic areas.

In the context of the above, the city of Maputo in Mozambique was first identified as a priority area for joint intervention. Subsequently, in April 2008, the Brazilian Government undertook an Exploratory Mission during which appropriate contacts were made with the competent local authorities with a view to initiating cooperation activities in the aforementioned priority area. During this mission contact was also established with the local Italian Cooperation Office in Maputo.

In the course of 2008 and 2009, in a bid to define the scope of the project, three joint missions were undertaken to Mozambique and two inward missions to Brazil, involving representatives of the Brazilian Government, the Italian Government and the Maputo authorities, all of which enjoyed the support and

participation of the Cities Alliance. On 5 November 2009 approval was given by the management committee of the Italian-Brazilian Triangular Cooperation Programme for the project proposal entitled "*Support for the Upgrading of the Chamanculo C Neighbourhood in accordance with the Global Strategy for Urbanizing and Reordering Informal Settlements in the Maputo Municipality*". The timeframe for implementing this project is 24 (twenty four) months, with an estimated budget of US\$2,900,000 (two million and nine hundred thousand US dollars).

Between 7 and 10 December 2009, a conclusive mission was undertaken to Maputo with a view to harmonising the proposal between the various partners and to finalise the project document for the Chamanculo C area insofar as its methodological, technical, financial and formatting aspects were concerned. Those present at the relevant meetings during the team's visit included representatives of the Maputo Municipal Council (CMM), the Brazilian Government (represented by the Ministry of Cities, the Caixa Econômica Federal and the Brazilian Cooperation Agency), the Italian Government (the General Directorate for Development Cooperation of the Foreign Ministry) and Cities Alliance.

All the partners nevertheless considered that it was vital to undertake certain preliminary preparatory activities in order to derive maximum benefit from the efforts already made at the project design stage and in particular to mobilise the team engaged in its preparation. In this regard, proposals have been prepared for the Government of Italy and the Cities Alliance, which have been approved and whose activities are underway.

In the case of the Italian support, the consultancy to design the Project (Global and Year I) Operative Plans has been carried out in conjunction with CMM and a local consultant has been hired and is designing a multipurpose space construction Project in Chamanculo C for the development of activities with the community associated with the Project.

Under the Cities Alliance support, the terms of reference have been defined and (one local and another international) consultants selected to design studies and specifications in the area of urbanization works in informal settlements and to support CMM in mobilizing community and monitoring the Project preparation process.

The proposal for the Project Implementation Plan submitted by CMM was approved by the Italian and Brazilian government in May 2010.

In September 2010, on an official visit to Mozambique, the Deputy Minister of Foreign Affairs of Italy signed the Project Agreement between the Italian Government and the Government of Mozambique (see attached copy). At the same time, a mission was held in Maputo, where representatives of CMM, Italian Government and Cities Alliance discussed and approved, on the 3rd September of 2010, the Global Operative Plan (see Annex) and the Year I Operative Plan of the Project.

On this occasion next steps were discussed and a new timeframe established until the beginning of the project, estimating that the resources transfer processes by the Italian Government and the Government of Brazil should be completed by December 2010.

The Project

The overall goal of the project "*Support for the Upgrading of the Chamanculo C Neighbourhood in accordance with the Global Strategy for Urbanizing and Reordering Informal Settlements in the Maputo Municipality*", is to contribute to reducing poverty and to boost the development of the population living in low-income informal areas in the city of Maputo. Based upon this general objective, the intervention project to be developed is aimed at improving the quality of life of the population living in the informal settlement known as Chamanculo C. It is proposed to undertake a series of studies and develop project designs required for effecting the integral urbanisation and regularisation of the area, including actions aimed at fostering the socio-economic development of the population living in the area and also at undertaking priority sectorial works (see documents annexed).

The present Cooperation initiative foreshadows the elaboration of project designs concerned with the integral urbanisation of the area. Moreover it also proposes to develop actions aimed at strengthening the social capital of the population of the area and at providing support for the implementation of small-scale works considered to be a priority. These works have been proposed as a way of resolving specific localised priority demands and at the same time of engaging the confidence and participation of the population in a joint partnership effort, as well as to strengthen training processes in the course of the activities connected with the works.

The specific objectives of the project presuppose undertaking a number of combined actions targeted at the following: the Development of Studies and Project Designs; Support for Social and Economic Development; Institutional Strengthening; and Support for Implementing Priority Works.

It is expected that investments in the Chamanculo C area will result in a series of positive environmental impacts as a result of better ordering of land use and occupation, while improving dwelling conditions, upgrading public sanitation and security, eliminating disease-carrying insects and minimising the factors related to unhealthy conditions and social vulnerability.

The Chamanculo C upgrading project integrates the Action Plan for the implementation of the Global Strategy for Integrated Intervention in the Maputo Municipality Informal Settlements, which in turn is linked to the Maputo Municipal Development Program (PROMAPUTO), designed by Maputo Municipal Council (CMM) for ten years as a way of responding to the needs and improving quality of service delivery to the citizens. To implement the above-mentioned Program, the Government of Mozambique has negotiate a credit from IDA/World Bank towards Phase 2 (2010-2015)

From the point of view of environmental and social impacts, CMM recently revised safeguard tools to be applied in all municipal physical interventions. These tools comprise the Environmental and Social Management Framework (ESMF) and the Resettlement Policy Framework (RPF), designed and approved in 2007 for the first phase and updated for the PROMAPUTO Phase II. RPF (see attached executive summary) complements ESMF, defining principles and guidelines of compensation and involuntary resettlement of families.

Once agreement had been reached on aspects concerned with methodology, structure and the mechanisms for technical and financial management, including monitoring and evaluation, the total cost of the project was estimated at US\$2,997,800, of which US\$1,698,995 will be provided by the Italian Government, US\$723,805 by the Brazilian Government and US\$575,000 would be requested from Cities Alliance funding.

In return, CMM should carry out annual project accounts audits through an independent entity, apart from those usually conducted by the General Inspection of Finance (IGF), a Mozambican Government entity. Independent audits to all CMM accounts integrate the procedures agreed under PROMAPUTO Phase 2 and correspond to costs estimated at US\$ 120,000 for the two years of the project.

13. Objectives

To support the undertaking of activities concerned with the project known as "*Support for the Upgrading of the Chamanculo C Neighbourhood in accordance with the Global Strategy for Urbanizing and Reordering Informal Settlements in the Maputo Municipality*".

14. Methodology and sequencing of activities

The scope of the project to be financed by the Cities Alliance comprises the following components:

- Local coordinator: Will be in charge of UGP, coordinating all local activities in the project.
- Technician to support administrative and financial management: Should integrate UGP and will be responsible for preparing financial reports and progress reports related to the resources made available by the partners.

- Monitoring and Evaluation Plan: tools, modalities and processes related to the monitoring plan should be developed to (i) collect information, (ii) analyze collected information and data, (iii) compare with the project activities and results, (v) eventual corrections and revision of the operative plan.
- Actions for the implementation of Local Development Plan: support and finance projects carried out by the associations which operate locally under education, health and employment.
- Resettlement Action Plan Planning (RAP) and monitoring of resettlement process: comprising criteria to be defined based on meetings with affected families and their respective monitoring during the process
- Periodic Safeguards Monitoring Reports: the project will contract appropriate independent consultants to oversight and review the implementation of the ESMP and RPF twice a year. The report will be shared with all the partners, who will advise the PMU on any deviations identified.
- Systematization, evaluation and dissemination of experience: (i) Annual Participatory Evaluation Research, including focal groups, inquiries and meetings, (ii) Systematization and Analysis of Project Indicators (2 reports), (iii) Assessment Workshop, and (iv) Consultancy for final project systematization.
- Cities Alliance Supervision: To be carried out through periodic missions. The technical supervision of components funded by Cities Alliance will be supported by the World Bank, through the team leader of MMPD/PROMAPUTO at the World Bank's Office in Maputo.

15. Deliverables

- Monitoring and Evaluation Plan.
- Local Development Plan.
- Resettlement Action Plan.
- Annual Participatory Evaluation Research.
- Final Systematization Report and Analysis of Project Indicators Reports.
- Assessment Workshop carried out.
- Periodic Safeguards Monitoring Reports.
- Cities Alliance Supervision Reports.
- Periodic Progress Report on local activities in the project.
- Financial reports related to the resources made available by the partners.

16. Expected outcomes and related monitoring indicators and plans

Result	Indicators
Project Management Operation and execution of the actions expected in the projected	<ul style="list-style-type: none"> • Local coordinator hired • Technician to support administrative and financial management hired
Result 1 – Studies and Plans <i>Estudos e Planos</i> Knowledge, diagnosis, guidelines and integrated development plans of community, in environmental, socio-economic aspects carried out	<ul style="list-style-type: none"> • Monitoring and Evaluation Plan designed
Result 2 – Fostering Local Development Community and civil society associations strengthened, and people's socio-economic level improved	<ul style="list-style-type: none"> • Resettlement Action Plan designed • 10 social development projects carried out in partnership with the community

<p>Result 3 – Institutional Strengthening and Project Supervision Multidisciplinary technical team established and strengthened</p>	<ul style="list-style-type: none"> • 2 annual evaluation researches carried out • 1 Workshop carried out • 2 indicator systematization and analysis reports prepared • 50 page document of final systematization prepared • at least 2 Steering Committee meetings held
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17. Sources of investment to implement the CDS or slum upgrading programme

The present project proposal is allied to the process concerned with formulating the urban policy frameworks of the municipality and aims to deal specifically with one of the priorities which form part of this process. The priority accorded to this question is included in the CMM Five-Year Programme 2009-2013, as well as in the list of actions incorporated in the Maputo Municipal Development Programme (PROMAPUTO). The latter receives financing from the World Bank.

The PROMAPUTO is, in essence, an institutional reform strategy through which the CMM proposes to introduce deep and fundamental changes in the municipality aimed at ensuring the longevity of the desired changes as well as prolonged sustainability in the area of human resources and future large-scale investments. On the other hand, this program also serves as an instrument for mobilising the necessary additional financing needed for implementing the CMM 5-year programme and all the other initiatives targeted at the integral development of the city of Maputo over the coming years.

18. Partnerships

The experience of Italian Cooperation in Mozambique is an important point of departure for the present proposal, above all because Italy was the first country to establish a cooperation programme with Mozambique after it gained its independence in 1975. Italian Cooperation has also undertaken a number of key initiatives in Brazil where it has acquired valuable methodological references concerning interventions in informal settlements, based upon its experience of the Alagados settlement in the city of Salvador, Bahia. This latter intervention also receives support from the Cities Alliance and the World Bank.

As regards the Brazilian Government, the CAIXA, one of the main operating agents for Brazilian Federal Government public policies, already has a Technical Cooperation Agreement with the Mozambique Ministry for Public Works and Housing. Among the objectives of this agreement is the transfer of non-conventional building methods, support for formulating methodologies for implementing civil construction cost indices follow-up systems and for developing social housing projects. These factors are of key importance to Mozambique's national housing policy and are directly related to the objectives pursued by the present Cooperation initiative.

Note that the World Bank (through the PROMAPUTO program) and UN-Habitat, have also shown considerable interest in contributing to this partnership.

19. Government commitment and approval

The Maputo Municipal Council (CMM) and its President took office in February 2009 and immediately began to undertake activities of a strategic and operational nature, particularly those concerned with the elaboration of the CMM 5-Year Plan 2009-2013. This is a basic tool for operationalising the strategic objectives of the Electoral Manifesto which serves as a policy guideline for the holders of the current autarchic mandate.

IMPLEMENTATION AND FINANCING PLANS:

20. Implementation arrangements

The project funds will be transferred to the Maputo Municipal Council which will be responsible for implementing the project.

21. Project schedule and delivery targets

Activities	Quarters							
	1	2	3	4	5	6	7	8
Local Coordinator								
Technician to support administrative and financial management								
Monitoring and Evaluation Plan								
Actions for the implementation of Local Development Plan (Support and finance projects carried out by associations which operate in the area under education, health and employment)								
Planning and monitoring of families resettlement – RAP								
Annual Participatory Evaluation Research, including focal groups, inquiries and meetings								
Systematization and Analysis of Project Indicators (2 reports)								
Assessment Workshop								
Consultancy for final project systematization								
Periodic Safeguards Monitoring Report								
Cities Alliance Supervision								

22. Financing plan

A. CITIES ALIANCE GRANT REQUEST

Components / Main Activities	Total (US\$)	Expenditure category			
		Consultancy services (US\$)	Training (US\$)	Dissemination costs (US\$)	Other (US\$)
PROJECT ACTIVITIES					
Monitoring and Evaluation Plan	50,000	50,000	-	-	-
Actions for the implementation of Local Development Plan (Support and finance projects carried out by associations operating in the area under education, health and employment)	180,800	180,800			
Planning and monitoring of family resettlement – PAR	50,000	50,000			
Annual Participatory Evaluation Research, including focal groups, inquiries and meetings	40,000	40,000			
Systematization and Analysis of Project Indicators (2 reports)	40,000	40,000			
Experience Evaluation Workshop	10,000	10,000			
Consultancy for final project systematization	20,000	20,000			
Consultancy for safeguards monitoring	75,000	75,000			
<i>Subtotal – Project Activities</i>	<i>465,800</i>		<i>-</i>	<i>-</i>	<i>-</i>

PROJECT ADMINISTRATION AND SUPERVISION					
Local Coordinator	60,000	60,000			
Technician to support administrative and financial	19,200	19,200			
Cities Alliance Supervision	30,000				
<i>Subtotal – Admin. and supervision</i>	<i>109,200</i>		-	-	-
TOTAL A (Cities Alliance funds)	575,000				

B. CO-FINANCING

Partner #1: Italian Government	1,698,995				
Partner #2: Brazilian Government	723,805				
TOTAL B (Co-Financing)	2,422,800				

C. TOTAL

TOTAL COST (A+B)	2,997,800				
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23. Costing assumptions Provide details about the assumptions that were used to calculate the costs presented in the summary financing plan (22).

Item	Unit (No./mth)	Unit value (US\$)	Total (US\$)
Local Coordinator	24	2,500	60,000
Technician to support administrative and financial management	24	800	19,200
Monitoring and Evaluation Plan	1	Overall Value	50,000
Actions for the implementation of Local Development Plan	1	Overall Value	180,800
Planning and monitoring of family resettlement – PAR	1	Overall Value	50,000
Annual Research of Participatory Evaluation, including focal groups, inquiries and meetings	1	Overall Value	20,000
Systematization and Analysis of Project Indicators (2 reports)	1	Overall Value	20,000
Experience Evaluation Workshop	1	Overall Value	10,000
Consultancy for final project systematization	1	Overall Value	20,000
Consultancy for safeguards monitoring	1	Overall Value	75,000
Cities Alliance Supervision	1	Overall Value	30,000

24. Expected currency of expenditures

Into what currency (or currencies) do you expect the grant funding (provided in U.S. dollars) to be converted? *Mozambican metical (MZN)*.

What exchange rate assumptions have you used? *US\$=37 meticals.*

25. Co-financing arrangements

Source of co-financing	Description of co-financing (in cash or not, and for what purpose)
1. Brazilian Government	Support for the execution of project activities "Upgrading of the Chamanculo C Neighborhood"
2. Italian Government	Support for the implementation of project activities "Upgrading of the Chamanculo C Neighborhood"
3. CMM	Technical hours and Annual Independent Audits to CMM Accounts

Note: The Project Global Operative Plan, attached, has detailed information on the co-financing scope of the Governments of Italy and Brazil..

Is all co-financing confirmed/committed? **yes**

26. Additional Financial Management Information from Recipient

- a. Is the Recipient a registered organization under the countries/cities legal requirement? **Yes**
- b. Can the recipient provide proof of registration and years of operation? **Yes**
- c. Does the recipient have prior experience managing other Donor funds and provide documentation to support this? **Yes** (PROMAPUTO project, World Bank and Mozambique Government financing).
- d. Does the recipient have or can open a bank account? **Yes**
- e. Is the recipient audited annually? **Yes**
- f. Do you produce periodic financial reports for monitoring and evaluation? **Yes**