

Urban rehab moves ahead

Companies are expected to be invited in about July to prequalify for contracts under a planned \$85 million urban rehabilitation programme for Beira and Maputo.

The four-year project aims to restore basic services and housing stock in the country's two main ports, and to strengthen the local government structure as part of the national decentralisation programme. A key element will be employment generation, with the rehabilitation work emphasising labour-intensive methods. The project also involves encouraging small businesses, particularly in the building materials sector.

Implementation is split into various components, as follows:

- ☐ infrastructure, costed at about \$31 million — rehabilitation of roads, water and sewerage networks, and coastal erosion defences
- ☐ housing, costed at around \$23 million — rehabilitation of apartment blocks, completion of unfinished blocks and construction of low-income housing
- ☐ urban services, costed at \$4 million — improvement of the solid waste collection system
- ☐ institutional development and project management, costed at about \$6 million — provision of consultancy supervision for the rehabilitation work, and of technical assistance to the local government of the two cities.

The project also involves two lines of credit, worth a total \$5 million. The first will be used to provide assistance to small and micro enterprises, notably in the building materials sector; the second will establish a fund allowing low-income families to buy building materials for self-help housing projects. The remaining \$16 million is for contingency costs in the various categories over the four years of implementation.

Financing is coming from the International Development Association (IDA), Finland and Spain. Finland is expected to provide about \$11 million, which will be used primarily for rehabilitation of the water distribution network and housing development in Beira. Spain's \$5 million will cover the urban services component, involving mainly the purchase of garbage collection equipment.

The remainder of the project will be funded by the IDA, under a \$60 million credit that is expected to be approved by July/August. Of the total, about \$40 million is expected to be subject to international competitive bidding, primarily for civil works contracts. There will also be a small equipment supply element under the lines of credit; this is expected to be satisfied through international quotation procedures.

In addition to prequalification for the IDA-funded civil works contracts, the second half of the year is expected to see the appointment of consultants for supervisory work and project management.

AED

20/5/88