

Mozambique



Chiveve Urban Park in Beira © GCIEP

Sectors: Multi-sector, Urban

Cities: Beira, Pemba and Nacala

Green Cities, Infrastructure and Energy Programme (GCIEP) capabilities:
Finance and investment, Institutions and capacity, Strategy and analysis



The challenge

Mozambique's cities and infrastructure are increasingly strained by the impacts of climate change. Pemba, a strategically important port city in the north, is vital for the region's economic activities but is highly vulnerable to extreme weather events. Similarly, Beira, the country's second-largest port and an economic hub, faces significant climate risks, highlighted by the devastating impact of Cyclone Idai in 2019. These challenges underscore the urgent need for sustainable and resilient urban development.

GCIEP's solution

In Mozambique across four interventions, GCIEP will increase international climate finance to fund low-carbon and climate-resilient projects, empowering secondary cities while achieving their sustainable economic growth ambitions.

1. Increasing international climate finance and greening the financial system

GCIEP is working with Mozambique to lay foundations to scale climate finance for low-carbon, climate-resilient

infrastructure by strengthening the Climate Finance Unit of the Ministry of Economy and Finance. Central to this is developing the country's first Sustainable and Climate Finance Strategy. GCIEP is helping develop comprehensive guidelines for financial institutions that outline how their core businesses can take advantage of climate and sustainability opportunities and better navigate risks.

GCIEP is also helping develop a Report on Green Fiscal Policies and exploring the potential impact on Mozambique's economy. It will identify the most relevant sectors to start implementing green taxes and benefits, developing scenarios to estimate impact on tax revenue, CO₂ mitigation, adaptation and poverty reduction. Additionally, GCIEP will help Mozambique revise its 2025 Nationally Determined Contribution (NDC) and assist the preparation of a Multiyear Readiness Proposal for the Green Climate Fund (GCF) to access financial and technical knowledge for long-term fund engagement. This intervention includes capacity-building training on climate finance and extending opportunities to key stakeholders such

as Central Bank, financial institutions, universities and the private sector.

Lastly, GCIEP will help establish a functional green finance ecosystem with a strong institutional framework for banks and insurers, by providing training and sustainable practice guidelines.

Expected results

Viable access to climate finance by municipal governments and project developers will result in more climate resilient, low-carbon and inclusive infrastructure and services.

2. Empowering Pemba to become a climate-resilient and sustainable city

GCIEP is improving infrastructure governance in Pemba while facilitating investments for inclusive and sustainable urban growth. By collaborating with the Mayor of Pemba, the Pemba City Council, local government and development partners, GCIEP is enhancing the enabling environment for climate-resilient investments into the city through four priority areas: the

development of a city investment portfolio, preparing project business cases and piloting tools and approaches to operationalise the Strategic Investment Framework, while undertaking targeted investor engagement.

Additionally, GCIEP is helping establish Mozambique's first Urban Municipal Observatory (MUO) which will enhance governance by monitoring urban development, supporting evidence-based decision-making and promoting transparency.

Working closely with local and national authorities, GCIEP is also strengthening urban planning for the sustainable expansion of the Maringana and Metula neighbourhoods. GCIEP is engaging the community in survey assessments and mapping to shape a shared vision for the neighbourhoods.

Expected results

Working with the Pemba Municipal Government to strengthen inclusive urban planning and governance and accelerate infrastructure investments, will lead to better quality of life and improved safety and economic productivity for residents.

3. Enabling Beira to transform into a healthy, resilient and entrepreneurial city

Through three key initiatives, GCIEP is supporting Beira Municipality to enhance its prosperity and resilience through climate-responsive urban planning and infrastructure development.

First, it focuses on developing a strategic approach to the operation and maintenance (O&M) of the city's drainage and sanitation (D&S)

system, and coastal protection (CP). GCIEP is working with a local association to train and install "ecopoint", a solid waste management system, to help the community sell recyclable materials and reduce waste. Capacity-building D&S entrepreneurial initiatives are also being promoted to micro-SMEs.

GCIEP is also working with the municipality to develop an urban plan for the Macurungo-Mikejo neighbourhood as a pilot area. GCIEP will establish a knowledge-sharing mechanism between the cities of Beira, Nacala and Pemba and work to improve tools and data for an effective community disaster response plan.

The second component involves prefeasibility studies for drainage to be integrated with the Water and Sanitation Master Plan funded by the World Bank. GCIEP ensures that funding is directed toward viable, nature-based projects to reduce flood risks.

Lastly, GCIEP is developing a Strategic Investment Framework to attract climate-resilient infrastructure investment and will undertake investor engagement to identify finance for pilot D&S and CP projects, to expand Beira's infrastructure pipeline.

Expected results

Working with the Beira Municipal Government on operations and maintenance for coastal protection and drainage, including via community engagement, will strengthen community resilience and preparedness for disaster response.

4. Enhancing urban development and spatial planning in Nacala

GCIEP is working with Nacala City to foster climate resilience and inclusive growth. Building on GCIEP's successful collaboration

in Pemba, this intervention helps develop a Nacala Urban Structure Plan (NUSP) guiding spatial development and key infrastructure projects while strengthening planning, governance and management capabilities within the Nacala Municipal Council (NMC).

First, GCIEP is helping to develop a NUSP, which guides a spatial strategy, infrastructure investment and improves quality of life. It will prioritise key infrastructure projects and policies for managing spatial development. Second, GCIEP will provide guidelines with actions that ensure the successful implementation of the NUSP, while working with NMC to build capacity through knowledge-sharing workshops, peer learning with Beira and Pemba authorities and best practices case studies. GCIEP's efforts will position Nacala to secure future funding from donor partners and financial institutions, accelerating the delivery of critical infrastructure, drainage, sanitation, erosion and flood management systems to enhance urban resilience.

Expected results

Working with the Nacala Municipal Government to effectively plan and manage inclusive urban development, will lead to better quality of life and more resilient economic productivity for residents.

By enhancing the investment environment for low-carbon, resilient infrastructure – developing city investment portfolios and business cases for priority infrastructure investments – GCIEP is laying the foundations for future investment in sustainable urban development in Mozambique.

GCIEP is a demand-driven initiative focused on sustainable green cities and climate-resilient infrastructure in lower-income countries. As the flagship programme of the UK's Centre of Expertise for Green Cities, Infrastructure and Energy, GCIEP supports the UK Government's mission to accelerate investment in, and delivery of, infrastructure and urban development that is responsible, reliable, inclusive, low-carbon and climate-resilient.

A significant proportion of GCIEP's work is carried out in six priority countries: Ghana, Indonesia, Philippines, Mozambique, Vietnam and Zambia, where a Deep Offer programme provides long-term, systemic interventions focused on transformative change and infrastructure financing.

To keep up to date with GCIEP's work in Mozambique:

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