



Build it right: Policy, procurement and decent work in Mozambique

A case study on combining policy reform and public procurement to drive more and better jobs in sustainable construction

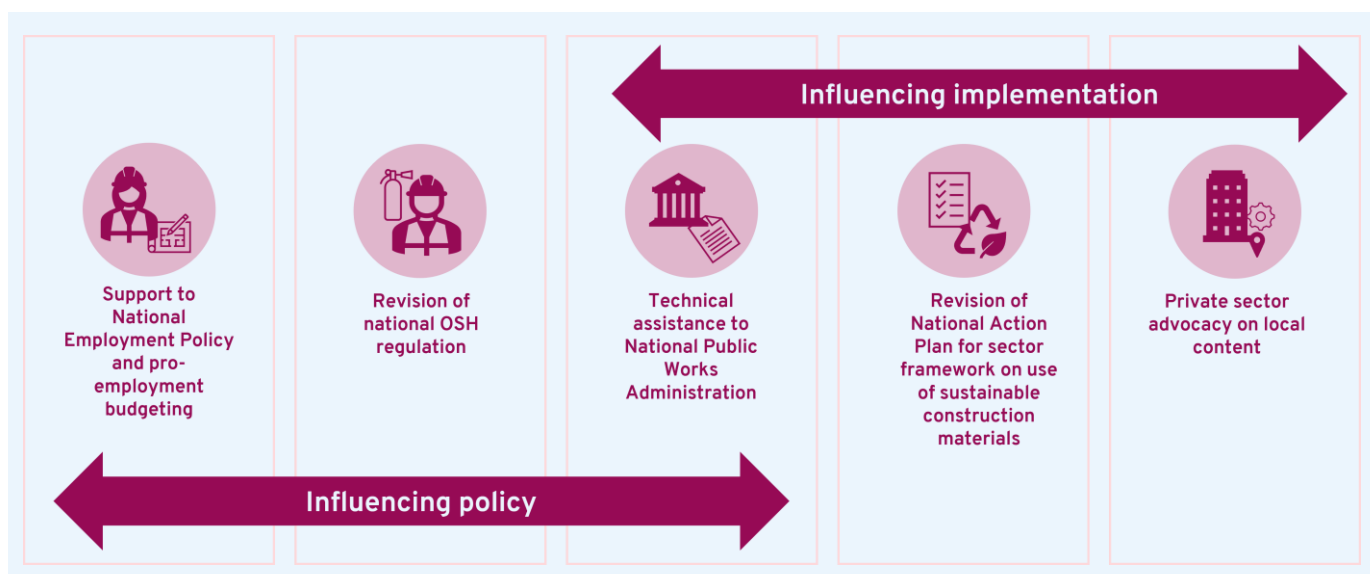
This brief spotlights the [ILO's MozTrabalha project's work](#) in Mozambique's construction sector, combining market development and policy work to scale sustainable enterprise growth and decent job creation while contributing to a just transition. It offers a practical example of how market systems development (MSD) and policy approaches can be combined for sustainable decent work outcomes.

Highlights

- ▶ MozTrabalha is both a policy and a market systems development project, working simultaneously to shift private sector practices and reform the policy environment in Mozambique's construction sector.
- ▶ The sustainable construction sector (using local and natural materials such as cement stabilized earth blocks) has strong potential to create local jobs, lower construction costs and reduce environmental impacts. However, weak demand has held the market back.
- ▶ The project analysis identified gaps in policy and procurement as the main barriers to the system working. The project addresses these together with relevant institutional and private sector actors, as part of a comprehensive set of interventions rather than through policy work in isolation.
- ▶ Sector policy work helps unlock demand for sustainable construction, while labour criteria help ensure that the resulting jobs are decent. Social dialogue strengthens this work further: the project builds the capacity of employers' and workers' organizations so gains can be negotiated and applied consistently across the sector. This policy work runs in parallel with private sector development i.e., enterprise formalization and growth, skills development, and SME financing, so private sector actors and workers are equipped to respond to the demand that policy changes helps unlock.
- ▶ The intervention has great potential to drive lasting systems change, provided that local content, sustainable materials and decent work requirements are integrated and effectively applied through public procurement, and supported by sectoral social dialogue and stronger labour administration and inspection systems.

Mozambique's sustainable construction sector, defined here as construction using local and sustainable materials (primarily cement-stabilized earth blocks), has strong potential driven by rising demand for housing and infrastructure. It can create jobs, reduce construction costs, lower emissions, and improve climate resilience. Yet the market has been stagnant. Supply is fragmented and uneven. Demand is weak, including from the government, which is the country's largest buyer. To address this, the ILO's MozTrabalha project focuses on incentives, institutions, and rules and regulations shaping the demand for local and sustainable materials, alongside facilitating supply-side support for micro, small and medium enterprises (MSMEs), skills providers, housing developers and municipalities to meet new demand.

To address limited demand for sustainable construction materials, MozTrabalha works on the policies and regulations that shape how public works are sourced and delivered, including the materials used and their impact on job quality and working conditions. It combined several mutually reinforcing levers.



Together, these interventions create a clear pathway: sector policy sets direction, procurement rules turn that direction into demand, and labour criteria help ensure that new demand creates better jobs.

Sector policy sets new direction

Mozambique adopted the *Strategy for the Use and Dissemination of Alternative Construction Materials and Systems* in 2009. However, implementation remained weak due to limited ownership of strategy, poor financing and coordination arrangements, and few practical mechanisms to overcome market resistance. To address this, MozTrabalha supported the Ministry of Public Works, Housing and Water Resources (MOPHRH) to revisit the strategy through a market systems lens. It focused on why

sector actors did not use it, and the change required for implementation to become viable.

This led to developing a **new Action Plan, led by MOPHRH and co-designed with social partners and other sectoral actors, providing a more effective operational framework** for sector coordination, financing, monitoring and gradual market development. For demand to shift, it is essential that these priorities are reflected in how public works are planned and procured. To ensure this, MozTrabalha also worked with different actors influencing procurement.

Public procurement spurs demand

MozTrabalha identified the National Public Works Administration (Administração Nacional de Obras Públicas, ANOP) as the institutional entry point for translating policy intent into procurement practice.

ANOP is responsible for preparing, validating, supervising and inspecting public works, and is mandated to promote sustainable construction solutions adapted to climate change, maximise the use of local materials, upskill local labour, and create jobs.

MozTrabalha provided technical support to ANOP to review and update standard bidding documents to integrate criteria on local content and employment, with particular emphasis on sustainable materials and improved safety and health practices. Supported by the [revised ILO code of practice on safety and health in construction adopted in 2022](#), and the [ILO Tripartite conclusions and recommendations on the promotion of decent work and a just transition in the building materials industry, including cement](#) adopted in 2024, the objective was to embed such criteria into standard bidding documents to become part of routine public procurement rather than isolated bids. This will help create more predictable demand for sustainable construction materials and services, strengthen producer and contractor incentive to invest and professionalize, and create opportunities for more and better jobs.

To strengthen employers' voice in procurement reform, MozTrabalha also worked with the Confederation of Economic Associations (CTA). The project advocated for bidding documents to include minimum criteria on local content and services, aligned with CTA's broader advocacy efforts for public procurement to create more value for Mozambican businesses.

The work with ANOP is also a practical application of MozTrabalha's broader macro-policy work. **The project supported the review and evaluation of the National Employment Policy (NEP) and its operational action plan (PAPE), alongside developing and rolling out a pro-employment budgeting (PEB) approach** in coordination with 20 ministries to help the government create more and better jobs with existing budgets. MozTrabalha's support focused on shifting the sole responsibility of employment promotion from labour and youth institutions to a shared responsibility across government agencies. The

Government of Mozambique has committed to testing the PEB approach in its upcoming budget cycle with five ministries, including Public Works. Construction spending has direct effects on enterprise demand, labour use, job creation and working conditions. By integrating local content, sustainable materials and decent work criteria into public works procurement, public works budget can generate more value in terms of stronger demand for local enterprises, more local jobs, and better working conditions.

New demand creates decent work

MozTrabalha does not treat market growth and decent work as separate agendas. Local content and sustainable materials criteria can increase demand for local enterprises and create jobs, but the quality of those jobs depends on labour standards built into contracts and enforced onsite. Following Mozambique's ratification of the [ILO Occupational Safety and Health Convention](#) and [Protocol](#) in November 2025, **MozTrabalha has been supporting MOPHRH and the General Labour Inspectorate (IGT) to revisit its outdated OSH regulation for construction, and develop a new one aligned with ILO Standards and sectoral tools¹.** This includes integrating provisions on maternity protection, prevention of sexual harassment and gender-based violence in the workplace, access to adequate sanitation and welfare facilities, and measures to ensure safe and dignified working conditions for women workers to help make construction work more accessible, safer and more attractive to women and other marginalised groups.

The [ILO's regional Decent Work in Construction project](#) further developed a procurement toolkit for the South African Development Community (SADC), with contribution from workers' and employers' organisations, integrating labour and productivity standards into public procurement. Together, these documents provide reference material for future procurement regulation and standard bidding documents and help shift procurement from buying infrastructure alone to buying construction processes that are safer, more productive and more inclusive.

While **public procurement can create demand for local sustainable materials, local enterprises and workers must be able to meet quality, volume and compliance requirements.** Keeping this in mind, the project coordinates its policy work with interventions on enterprise

¹ This work is expected to conclude in 2026.

support, technical skills development, SME finance, and the expansion of affordable, green, and climate resilient housing parks.

Conclusion

The potential systems change lies in whether sustainable construction becomes embedded in the rules and practices of public procurement. The scale of that potential is significant: MozTrabalha's projections project estimate that an investment of USD 100 million in the sector could create 118,206 jobs through conventional construction alone. Introducing soil cement stabilized earth blocks increases this to over 142,211 jobs, a 20 per cent increase. Factoring in productivity gains from enterprises, this figure could reach up to 178,156 jobs, a further 25 per cent increase and 51 per cent above conventional construction overall.

To advance environmental sustainability and decent work, change needs to be oriented towards the design and effective implementation of responsible and progressive public procurement, in line with relevant international labour standards.

In Mozambique, the Action Plan created the sector framework, the Confederation of Economic Associations strengthened private sector advocacy for local content, and the OSH regulation set a pathway towards the promotion of decent work in the sector. ANOP has committed to integrating sustainable construction materials into public infrastructure procurement by revising its standard bidding documents. Through this, it is planning to pilot the use of soil-cement blocks in the construction of approximately 80 community infrastructures in northern Mozambique. This includes a strong focus on workforce inclusion, local content and sustainable construction practices.

This demonstrates how public procurement can become a powerful market-shaping instrument: stimulating demand for locally produced and sustainable construction materials, strengthening the competitiveness of local enterprises, promoting compliance with labour rights and occupational safety standards, and creating more and better jobs while advancing a just transition towards a greener and more resilient construction sector.

The ILO's MozTrabalha project is a four-year employment policy and market systems development project funded by the Swedish International Development Cooperation Agency. It aims to create and improve jobs in the sustainable construction and forestry sectors in Mozambique in a way that contributes to structural transformation and a just transition.



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International Labour Organization
Mozambique Project Office
Rua Joseph Kizerbo
Maputo, Mozambique

Martin Gasser (gasserm@ilo.org)
Chief Technical Advisor
Léa Richard (richardl@ilo.org)
MSD Technical Expert

E: www.ilo.org