



“Health System Strengthening” (HSS)

Partnership United Nations Development Programme (UNDP)
and the
Government of Mozambique through Ministry of Health (MoH)

Final Closure Report

Feb 2019 – June 2021



Mozambique, October 2021



Empowered lives.
Resilient nations.

Project Card:

Donor code:	Global Fund to fight AIDS, Tuberculosis (TB) and Malaria (GF) Financing Agreement (Cost-Sharing Agreement) between UNDP and the Government of Mozambique through Ministry of Health (MoH)
Country:	Mozambique
Project Title:	“Health System Strengthening” (HSS)
Project ID:	Atlas Award ID: 00114992 Project (output): 00112777 - HIV Project (output): 00114917 - TB Project (output): 00121154 - Malaria Project (output): 00123465 – COVID-19
Contributing Outcome United Nations Development Assistance Framework (UNDAF, 2017-2020)	UNDAF Outcome 8 All people benefit from democratic and transparent governance institutions and systems that guarantee peace consolidation, human rights and equitable service delivery.
Outcome Country Programme Document (CPD) for Mozambique (2017-2020)	Outcome 4: All people benefit from democratic and transparent governance institutions and systems that ensure peace consolidation, human rights and equitable service delivery.
Output Country Programme Document (CPD) for Mozambique (2017-2020)	Output 4.5: Capacity of justice and human rights institutions expanded to provide equitable access to services.

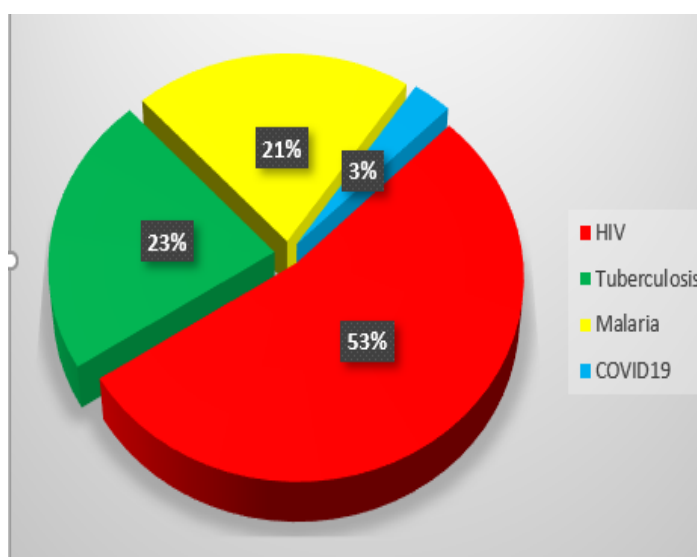
Implementing Partner: UNDP Mozambique (DIM Project)

LPAC meeting and Project Start Date: 22 February 2019

- ❖ Amendment 1 signature: 4 November 2019
- ❖ Amendment 2 signature: 13 April 2020
- ❖ Amendment 3 signature: 15 July 2020
- ❖ Amendment 4 signature: 3 December 2020
- ❖ Amendment 5 signature: 15 April 2021

Project expected end date: 31 December 2021

Total resources required 2019-2021 **USD 11,728,469.26**



Component	Financial Agreement Feb 12 2019	Addenda 1 - November 04 2019	Addenda 2 - April 13 2020	Addenda 3 - July 15 2020	Addenda 4 - December 3 2020	Total Budget
HIV	\$ 4,359,365.48	\$ 1,268,121.63	\$ 75,083.04	\$ -	\$ 549,815.42	\$ 6,252,385.57
TB	\$ 1,951,790.93	\$ 172,252.30	\$ 498,494.84	\$ -		\$ 2,622,538.07
Malaria	\$ -	\$ -	\$ 2,499,204.93	\$ -		\$ 2,499,204.93
Covid19	\$ -	\$ -	\$ -	\$ 280,863.33	\$ 73,477.36	\$ 354,340.69
	\$ 6,311,156.41	\$ 1,440,373.93	\$ 3,072,782.81	\$ 280,863.33	\$ 623,292.78	\$ 11,728,469.26

Main Objective:

The main objective of the project is to strengthen the National Health system by reinforcing the medical supply chain system management and enhancing the MDR-TB treatment outcome.

Project targets:

Expected Outputs	Indicator (s) /Baseline/Target
1. Improved safety, security and storage conditions of medicines, vaccines, and other health products at sub-national level.	Indicator: Number of newly constructed medical warehouse. Baseline 2018: 0 Target: 1
2. Improved conditions of clinical care for MDR TB patients	Indicator: Number of provinces with improved MDR TB cases management and infectious control. Baseline 2018: 0 Target: 5
3. Improved conditions of clinical care for MDR TB patients	Indicator: Number of waiting shelters for TB clinics constructed. Baseline 2018: 0 Target: 17



Empowered lives.
Resilient nations.

Contents:

Project Card:	2
Part A Results Summary	7
(1.a) Executive Summary	7
(1.b) Background information.....	11
Part B Progress Report:	14
(2.a) Reporting on Project Progress	14
(2.b) Gender Mainstreaming (GM), Governance and Environment	19
Part C Quality Assurance:.....	21
(3.a) Risk Management	21
(3.b) Project Management.....	30
(3.c) Partnerships and Cooperation	32
(3.d) Challenges and Lessons Learned	34
(3.e) Project visibility.....	37
(3.f) Delivery.....	38
(3.g) Conclusions, Recommendations and Opportunities for Follow-up.....	40
Part D Annexes:.....	47

Acronyms:

CCM	Country Coordination Mechanism
CMAM	Central Medical Store of Mozambique
CPD	Country Programme Development
FA	Financial Agreement
GF - GFATM	The Global Fund to Fight AIDS, Tuberculosis and Malaria
HSS	Health System Strengthening
LFA	Local Fund Agent
MDR-TB	Multi-drug Resistant Tuberculosis
MoH	Ministry of Health
PELF	Plan for Pharmaceutical Logistics
PMU	Project Management Unit
PR	Principal Recipient
PRODOC	Project Document
SDG	Sustainable Development Goals
TB	Tuberculosis
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme

Part A | Results Summary

(1.a) Executive Summary

- **Introduction**

In Mozambique, the Health Portfolio has been expanding since February 2019, being currently a multi-donor funded Portfolio.

Under the Health Portfolio, UNDP's intervention contributes to the implementation of the CMAM Strategic Plan for Pharmaceutical Logistics (PELF). UNDP technical support contributes to the CMAM and National Tuberculosis Programme efforts to improve treatment outcomes for MDR-TB, infectious disease control, and storage conditions of the medicines, vaccines and other health products. New financing agreement includes intervention in Beira city (Sofala Province) Medical Warehouse, and also comprehends the procurement and installation of incinerators for North and South Regions of the country for end-user MoH/Central Medical Stores.

As part of the ONE UN Health Plan and the MoH Emergency Response Plan, and through the partnership with the Government, National Health Institute, UNDP is strengthening laboratory capacity for decentralized COVID-19 testing, ensuring adequate health infrastructure, including through rehabilitation and installation of prefabricated modules. For COVID-19 response is planned the continued establishment of Laboratories for testing and respective equipment. As well, new scope of works was requested for rehabilitation of Regional Health Infrastructures (Maputo, Nampula, Beira) for end-user National Health Institute.

Through Health projects, UNDP Mozambique is also establishing hospitalization centers for COVID-19 patients; and entering in Cabo Delgado to support re-establishment of basic social services through community health centers.

- **Output summary**

Output 1: Improved safety, security and storage conditions of medicines, vaccines, and other health products at sub-national level.

Project is focused on one of the three priorities of the MoH: PELF - reinforcing the medical supply chain system management for improved safety, security and storage conditions of medicines, vaccines and other health products at decentralized level.

- Project works to support the MoH in implementing National Logistics Pharmaceutical Plan (PELF) for establishing Intermediary Medical Warehouses in strategic geographical areas that will ensure medical and non-medical products stocks available in quantity and quality necessary to be distributed through optimized and safer routes to reach the last mile and be accessible to all citizens at all time. Particularly in Manica, the newly constructed Medical warehouse will allow adequate supply chain management, preventing from stock-outs and allowing the citizens of the districts of this province to receive adequate treatment when accessing health centers services.
- In respect to identified need for increase the number of health facilities in Mozambique according to the 2020 Economic and Social Plan (PES) - Project responds to MoH key priority in ensuring that the required health infrastructure is constructed/rehabilitated, particularly in emergency context where is essential for citizens to have guaranteed access and reliability in health prevention, treatment and care services at the different levels and particular sub-national.
- UNDP has been selected as implementing partner on health infrastructure due to the corporate expertise and solid partnership with main donors; as well as due to evidence-based results in providing successful similar services in other countries worldwide and in the sub-region.

The construction of Manica warehouse design and added-value have been suitable and fit-for-purpose when considering the wider project context. Stakeholders from the Government departments were appreciative of UNDP's approach to complete the project.

The result obtained in the construction of Manica warehouse is highly relevant and aligned to stakeholders' needs, priorities, and objectives in Mozambique. The location selected reduced transportation costs. It was determined based on major health facilities, supply points, the

volume of products moving to or from supply points, and these facilities. Local geographical conditions and transportation infrastructure also played a significant role in determining the location.

The intervention in the Beira warehouse was not implemented in the context of this project because of the decision of MoH as Principal Recipient (PR) to change the scope of the renovation/extension, so the work agreed in the contract (Addenda 2) was not possible to be initiated within the agreed time, as MoH requested a different scope. As per GF guidelines, no extension was approved, and the civil works project validated by end-user in October 2020 was cancelled to be executed in 2020.

Outputs 2 and 3: Improved conditions of clinical care for MDR TB patients.

In the context of this output, the construction of 5 MDR-TB and 17 shelters have been extended to December 2021 in accordance with the contracts in place and following up the recommendations provided by the Global Fund on 21 May 2021, which, subject to the Global Fund's approval on 25 August 2021, include additional works for the health facilities targeted.

The strengthening of laboratory capacity in Zambezia, Nampula and Sofala was concluded with some minor requirements to be added in the next funding mechanism.

Gender Mainstreaming (GM), Governance and Environment

The target groups of the project were identified in the context of the health system in Mozambique, described as below:

- ✓ general population that benefits from the drugs stored at CMAM warehouses, and
- ✓ economically vulnerable population at local level under health system: people living with HIV/AIDS whose ARVs drugs are stored at CMAM warehouses, TB and Malaria patients.

In its broader context, the project reduces inequalities and social exclusion that drive poor health outcomes. Given the location of the project, the project is well-positioned to address some of the key disparities between provinces and cover hard-to-reach populations and ensure that the

target and beneficiary communities have access to treatment and care, receive goods in the rights quantities, in good condition, at the right time, for the right cost.

For the materialization of the principle of equity, which is an ethical concept based on the principle of fair distribution of benefits and manifested by disparities in the distribution of health services and the health status of the population, three dimensions shall be considered, including equal access for the same needs, identical usage rates for the same needs, and identical quality care for everyone. Within the current contextual factors, the project ensures the achievement of equity outcomes associated with it.

Challenges and unexpected risks

During the evaluation process multiple challenges and capacity issues faced by the local health system in Mozambique were identified. These were confirmed through multiple assessments and reviews, including the following as top relevant issues to the HSS project:

1. The current storage capacity of medical products includes three central warehouses, with two of those are based in Maputo and the third one based in Beira. Maputo stores support and supply the southern and northern zones, while the Beira warehouse supports the country's central zone. CMAM plans continue to focus on the decentralization of medical storage facilities.
2. The logistics system is unequal in terms of supplying drugs and other medical supplies to all locations resulting in frequent stock-outs and compromising the quality of care.
3. The existence of multiple lines of command and weak institutional capacity is associated with the lack of qualified Human Resources (HR) and no logistics profile. These problems limit operational capacity in this area and, among other things, result in the incorrect application of procedures and routines.

While the project's scope is not new, the capacities of the national and sub-national government institutions and duty-bearers were assumed to be limited in the technical aspects of the construction of medical facilities. That was considered a potential source of risk affecting the quality of service provided.

(1.b) Background information

Project objectives

The Project “Health System Strengthening” (HSS) supports the Government’s efforts towards the achievement of the agenda 2063 of the African Union - Objective 3: Citizens are healthy, well-nourished and have long life spans of the Aspiration 1: A Prosperous Africa based on Inclusive Growth and Sustainable Development. The Project also contributes for the agenda 2030, more directly to Sustainable Development Goals (SDG) 3, Good Health and well-being: Ensure healthy lives and promote well-being for all at all ages. The Project contributes to United Nations Development Assistance Framework (UNDAF) Outcome 8 / CPD Outcome 68 - All people benefit from democratic and transparent governance institutions and systems that guarantee peace consolidation, human rights, and equitable service delivery. The Project also reinforces UNDP CO efforts towards the achievement of the UNDP Strategic Plan 2018-2021, output 1.2.1 strengthening capacities at national and sub-national levels to promote inclusive local economic development and deliver basic services. The Project is in line with the UNDP Country Programme 2017-2020 and will be consider for the next CPD currently under planning.

The long-term objective of the project is to **strengthen the national health system by reinforcing the medical supply chain system management and enhancing the MDR-TB treatment outcome.** The intervention will focus on the below two outputs:

- i) Improved safety, security and storage conditions of medicines, vaccines and other health products at sub-national level; and
- ii) Improved conditions of clinical care for MDR TB patients.

Achieved results

Mozambique walks towards gaining substantial infrastructure capacity to provide regular and continuous supply of vital and essential medicines and health products to Mozambicans though the National Health System:

- Through a newly constructed Intermediary Medical Warehouse (1620 pallets) in Chimoio, including with 1 Incinerator (fully Licensed). This Medical Warehouse is also equipped

namely with innovative models for incineration of pharmaceutical waste inspired in green technology. The province of Manica and city of Chimoio receive from this intervention a new and modern health infrastructure that replaces the one completely burned by the fire back in 2017. This Medical Warehouse contributes for a regular and continuous supply chain management, ultimately promoting access to basic social services and ensuring the citizens the right to Health.

- The progressively finalization of the construction of wards, shelters, and the strengthening of laboratory capacity, contributes to the better access to health facilities for general population. The location of these new facilities improves the access to health for key population and vulnerable groups.
- As part of the ONE UN Health Plan and the MoH Emergency Response Plan, and through the partnership with the Global Fund and the Government, National Health Institute, UNDP, with the establishment of adequate health infrastructure, including through rehabilitation and installation of prefabricated modules, strengthens the laboratory capacity for decentralized COVID19 testing. This intervention increases the diagnostic efficiency at sub-national level, aiming at timely providing the citizens with their right to access quality services of treatment and care.

All the civil works Executive Projects undertaken by UNDP – Medical Warehouses, TB Wards and waiting areas, Laboratories for COVID-19 testing - respect WHO guidelines and include safe construction elements increasing the health facilities resilience to the impact of climate change, a sustainable approach to enhance preparedness of the Projects to respond to the natural hazardous mapped for Mozambique.



Empowered lives.
Resilient nations.

Highlighted results:

- ✓ **Supply Chain:** One (1) newly constructed Medical Warehouse of 1620 pallets, fully quipped and Licensed, that will contribute for a regular and continuous supply of vital and essential medicines and health products to users of National Health System.

- ✓ **Waste management:** delivery of a mobile and containerized incinerator capable of running on renewable and sustainable fuel that will reduce significantly the maintenance and management costs (maintenance) of the warehouse. In perspective of strategic implementation of PELF – the incinerator can be moved to another site in case the plans of the MoH demands it and depending on the strategy to materialize the remaining intermediary warehouses.

- ✓ **Capacity building and standardization:** a revised Executive Project with all elements jointly with MoH verified and validated for future use as model (Project type) for Intermediary Medical Warehouses construction reinforcing implementation of National reforms.

Part B | Progress Report:

(2.a) Reporting on Project Progress

Output 1 Result: Improved safety, security and storage conditions of medicines, vaccines, and other health products at sub-national level.

Output Target: 1

Output Baseline: 0

Output Indicator: Number of newly constructed medical warehouse

One (1) intermediary warehouse fully constructed and equipped	Number of newly constructed medical warehouse	Fully achieved	Fully achieved	Open Ceremony conducted on July 1 st , 2021 – by Excellency the President of Republic of Mozambique Media coverage: https://www.youtube.com/watch?v=AYwC9rxenM
---	---	----------------	----------------	--

Activity Result 1.1: Construction and equipment of an Intermediary Medical Warehouse, Manica province, Chimoio city

- **Activity progress**

The activity is fully implemented. The intermediary medical warehouse is fully constructed and equipped. Handover to Government done on 30 June 2021.

- **Stakeholders**

Beneficiaries were deeply engaged in the achievement of the activity. The MoH stakeholders' extensive communication and social mobilization efforts have yielded the desired results, and lower-scale efforts would be sufficient to sustain the achievements. The CMAM technical

leadership was very satisfied by the project's outputs, and the engagement has resulted in better transfer of the know-how at the technical level.

- **Effects**

No unintended effect rises in the achievement of the activity. As expected, the activity improves the warehousing capacity of medicines, vaccines, and other medical products.

- **Baseline**

No changes in initial baseline have been identified in the implementation of the activity.

<p>Output no. 2 Result: Improved conditions of clinical care for MDR TB patients</p> <p>Output Target: 5 wards and 17 waiting areas</p> <p>Output Baseline: 0</p> <p>Output Indicator: Number of provinces with improved MDR TB cases management and infectious control and Number of waiting shelters for TB clinics constructed.</p>				
(5) MDR-TB wards constructed	Number of provinces with improved MDR TB cases management and infectious control.	Partially achieved	3 wards finalized (2 Gaza and 1 Zambezia) 2 wards under finalization in Sofala (1) and Nampula (1)	Reports issue by Supervisory company; Progress Reports submitted to the MoH
(17) waiting areas in constructed clinics	Number of waiting shelters for TB clinics constructed.	Partially achieved	10 waiting areas finalized (Gaza and Zambezia)	Reports issue by Supervisory company;

			7 waiting areas under finalization in Sofala (2) and Nampula (5)	Progress Reports submitted to the MoH
Establishment of 3 Laboratories for COVID-19 testing in Sofala, Nampula and Zambezia provinces	Number of laboratories established for COVID19 testing	Fully achieved	1 prefabricated laboratory installed in Beira, Sofala. 2 laboratories rehabilitated in Nampula and Zambezia	Reports issue by Supervisory company; Progress Reports submitted to the MoH

Activity Result 2.1: Construction of 5 Wards for Multi-Resistant Tuberculosis (TB) patients and 17 waiting areas in the TB clinics

- **Activity progress**

The construction of 5 wards and 17 waiting areas are partially achieved due to:

1. **Planning:** part of the original panning of companies was verified to be unrealistic and unachievable by the contractors. UNDP has been working with companies for them to adapt the planning to the real situation on the ground in order to reflect the current real working conditions in each site.
2. **Finance:** the milestones payment system agreed by companies lead to financial issues for them also resulting from market fluctuation based on Mozambique natural and man-made hazardous. UNDP have been flexible by allowing partial invoicing of the milestones to support the companies to achieve our common goals.
3. **Technical:** through the implementation, have been identified omissions in the designs, causing delays. The designs have been revised and updated, as well technical details were

corrected on the ground as possible. Elements verified essential are being included as additional works.

4. Technical: The contractor implemented the columns and beams smaller than designed in the Macurungo and Muhala Wards. The technical solution is still under discussion and not yet approved at time of submission of this report.
5. Additional works: Additional documentation has been collected and after final analysis were approved by Global Fund. The water supply issue will be solved by installing water tanks and towers, which will take the opportunity to promote a qualitative impact on the lives of the target communities.
6. Supervision company Sofala Lot (Dora): due to the lack of performance, the contract was not renewed by the end of July 2021. Instead, UNDP is replacing them with a new supervision company. UNDP evaluated corporate Long-Term Agreements (LTA) to allow fast track award of a new supervision company. This LTA revealed expensive, cost could not be supported under approved allocation of fund for this activity.
7. Human Resources UNDP: technical team re-structured to be able to respond to the complexity of the construction works. A Senior Civil Engineer position was approved in new implementation cycle and UNDP advanced with necessary resources to recruit this key expert, that has been working since late June 2021. Apart from this, the initial TB projects contract manager was replaced by another Civil Engineer, with years of experience namely in Mozambique.

Additional works have been requested by end-user and approved by donor on 25 August 2021. It extended the implementation of the TB project until 31 December 2021, through signature of Addenda N^o. 6 to Financing Agreement.

- **Stakeholders**

Beneficiaries were not engaged in the achievement of the activity.

The lack of a focal point from the national counterpart has always been identified as a risk and root cause of delays in implementation, as well as Licensing issues – at this moment in time only Nampula province managed to secure Environmental Licenses for the respective Lot sites.

- **Effects**

The negative effect of the weather has delayed the termination of works namely in Sofala province, but it is not the only reason. Underperformance of construction and supervisory companies in provinces of Sofala and Nampula have represented an issue in the completion of project. Inclusively, UNDP had to cancel the contract with supervision company of Lot 2 (Sofala).

- **Baseline**

No changes in initial baseline have been identified in the implementation of the activity.

Activity Result 2.2: Establishment of 3 Laboratories for COVID-19 testing in Sofala, Nampula and Zambezia provinces

- **Activity progress**

The installation of a prefabricated laboratory in Beira has been completed without delays and handover to Government was done with Open Ceremony chaired by the Minister of Health on 29 December 2020. The installation of a new generator has been approved to be completed with the funds of the new grant, revealing a positive donor programmatic-financial coordination towards enhancing emergency response.

The rehabilitation of the laboratory in Quelimane and Nampula is finished. No delays in its performance have been reported. Biosecurity measures will be completed in the new grant.

Some minor corrections pending due to contractor waiting of availability of funds, as these will be performed along with approved additional works related to Biosecurity measures to be implemented with the new grant.

- **Stakeholders**

Since the beginning of the COVID-19 crisis, UNDP has aligned with the efforts of the Government of Mozambique to protect the lives and the livelihoods of its citizens, joining in on the wider United Nations response plan. These interventions are being implemented in close collaboration with the various departments of the Ministry of Health including the National Health Institute, the Department of Infrastructure, the Biosafety Department, and the Provincial Health Directorates.

Along with close collaboration with MoH, is also to highlight the partnership with UN Agencies namely WHO.

- **Effects**

No unintended effect rises in the achievement of the activity.

- **Baseline**

No changes in initial baseline have been identified in the implementation of the activity.

(2.b) Gender Mainstreaming (GM), Governance and Environment

- **Governance**

Close cooperation was considered essential to increase adherence and accountability to project results; as well as the governance system developed through the implementation cycle (technical working groups, project board). The monitoring and evaluation plan verified solid, and even though, based on lessons learned and recommendations from the final evaluation conducted – it has been reinforced in the new cycle.

The schedule of activities was adjusted through the annual work plans of the required addenda's to the financing agreement to ensure the effective and timely implementation of project activities in the project target areas, flexible to the context change (natural hazardous, emergency situation due to pandemic COVID-19 and humanitarian crisis in North of the country). This aspect will continue to be an essential component of any future similar projects, and it is crucial to address it through sustained solutions in the long term.

The entire HSS project has been developed to support the Ministry of Health's capacities through different workstreams. In the long term, the UNDP role will be instrumental in building MoH staff capacities in the supply chain management area, waste management and emergency preparedness and response. Savings from the budget allocated to the construction and rehabilitation works have been utilized to support different capacity-building activities, including training and experience sharing programs in relevant areas.

- **Gender**

Ensuring access to health facilities has a positive impact on equal access for men and women to the service. The HSS project has defined its target groups: population in general and people living with HIV/AIDS, Tuberculosis and Malaria because these project guarantees access to treatment and care, receives goods in the rights quantities, in good condition, at the right time, for the right cost.

According to the last figures published, out of the 2,100,000 people living with HIV/AIDS in Mozambique, the 57% (1,200,000) are women aged 15 and over¹. The selection of location for the construction of this facilities will facilitate a close access including the economically affected and sub-national population.

- **Environment**

The project has not contributed directly to any main workstream on environmental sustainability. UNDP-supported projects are intended to be environmentally and institutionally, financially, politically, culturally, and socially sustainable.

The overall project design has integrated sustainability and resilience dimensions of development challenges. Relevant shocks, hazards, adverse social and environmental impacts have been identified and assessed, and relevant management and mitigation measures are incorporated into project design, risk management and budget. All equipment procured were strictly followed international and UNDP environmental safeguards.

¹ <https://www.unaids.org/en/regionscountries/countries/mozambique>

Part C | Quality Assurance:

(3.a) Risk Management

Assumptions and Risks	Mitigation	Current situation
<p>Governments internal review and approval procedures (related to public expenditure management and procurement) could cause delay in the procurement of goods and services and thus, in project implementation.</p>	<ul style="list-style-type: none"> • The procurement of the medical stores' equipment will be directly managed by UNDP CO with the support of PSU in Copenhagen, GF HIST will provide technical guidance on risk management. • The MoH will communicate the civil works project plan for 2018 – 2020 to the Government to secure support from relevant line ministries and set clear timeline. 	<p>The restructure of MoH Senior Management key positions earlier in 2021 impacted on several approval processes. Sudden change in the MoH decision makers, namely Secretary Permanent, but as well, Chief of Department of Infrastructure.</p> <p>UNDP Senior Management continues actively engaged with the Minister of Health through the Resident Representative; and with the Secretary Permanent through the Deputy Resident Representative – to reiterate the importance of</p>

		<p>timely approval processes required to implementation as per UNDP internal rules and regulations towards good governance, transparency and mutual accountability.</p>
<p>Delays in high level bureaucracy between CMAM-MISAU in the approval of relevant project documents (needs assessment of 10 provinces and other relevant documents) could negatively impact the implementation of initial activities.</p>	<ul style="list-style-type: none"> • UNDP will commission a needs assessment mission as soon as the CSA and PRODOC are signed. 	<p>This risk was not verified.</p> <p>The scope of works for the rehabilitation of provincial medical warehouses was never part of approved annual work plans of signed financing agreement or respective addenda's.</p>
<p>Sub-contractors selected through public procurement mechanism to construct new and rehabilitate existing medical store, TB and health facilities fail to achieve the value-for-money objective or do not use some portion of funds for intended purpose.</p>	<ul style="list-style-type: none"> • UNDP will hire a team of engineers and clerks of work locally to ensure quality of civil works, quality of construction material in line with the BoM as well as quality workmanship. • Fiduciary risk assessment of potential vendors will be conducted prior to contracting and strict mechanisms of 	<p>Engineering Company in place to supervise the quality and ensure timely progress of the civil works.</p> <p>UNDP Engineers, in joint missions with MoH, will also conduct site visit checks to monitor progress and verify the quality of workmanship.</p>

	<p>financial accountability and operational monitoring and evaluation will be incorporated in the service contracts to minimize misappropriation of funds.</p>	<p>UNDP advocates on the need to elevate the position of Senior Civil Engineer to TA level instead of IPSA, allowing the Engineer to be granted UN Laissez-passer and be able to have Visa and work based in Mozambique as this is core position for the Portfolio. This prevents turn-over on this critical position in anticipation of future waves of pandemic COVID-19 that may impact on restrictions namely on travel.</p>
<p>The purchase or Land Legal documents (DUAT) for the construction of new warehouse in Chimoio and the 10 new warehouses may lead to delays in the full implementation of activities.</p>	<ul style="list-style-type: none"> • UNDP will advocate with Ministry of Health and Ministry of Public Works to ensure smooth process. 	<p>Focal points from CMAM, INS and from MoH Infrastructure Department supporting the collection of the DUAT for all infrastructures (except in TB project) and mediating the communication with the local authorities at the different levels.</p>

		<p>INS managing exemption of Environmental License in some sites, in the context of COVID-19 Emergency</p>
<p>Fiscal space shrinks limiting the state’s ability to take over fully operational costs and sustain critical health services including MDR-TB treatment and medical stores.</p>	<ul style="list-style-type: none"> • The MoH in consultation with development partners will reprioritize interventions under these objectives to match resource requirements for the operation with available internal and external funding resource. 	<p>UNDP through HSS Programme accepted the MoH requests for support and remains positioned as implementer and technical partner to step up the fight against the spread of COVID-19 in Mozambique.</p>
<p>Epidemiological situation deteriorates (outbreaks of communicable disease) due to the climate change related threats (Chikungunya, dengue fever, haemorrhagic fevers, Cholera, Meningitis, etc.) and a need of arises to reallocate scarce resources urgently.</p>	<ul style="list-style-type: none"> • The MoH will apply to in-country and international donors to provide emergency support for the management of outbreak(s). 	<p>UNDP leading the Early Recovery Facility initiative after cyclone IDAI and recently established another sub-office in Cabo Delgado to support in preparedness and response to the North open conflict.</p> <p>Recommendations to increase resilience and to ensure safe construction being introduced in the specifications of tender documents</p>

		<p>of the infrastructures funded by The Global Fund and other donors of Health Portfolio.</p> <p>UNDP through HSS Programme accepted the MoH request for support in community health infrastructure in Cabo Delgado, awaiting funding confirmation from The Global Fund and will establish (with internal fund) first ones to provide populations access to services while programmatic-financial-legal arrangements are prepared and Addenda N^o. 1 to new financing agreement approved and signed.</p>
<p>Coverage of hard-to-reach population in some parts of Mozambique can be impeded due to violent, terrorist activities, unusually harsh climatic conditions, or natural disasters.</p>	<ul style="list-style-type: none"> • The MoH may consider temporary reallocation of these services to other geographical areas (less affected by the climate) or compensation of missed 	<p>UNDP Senior Management is meeting with the Minister of Health to discuss the partnership and inform that UNDP has opened a sub-office in Pemba, Cabo Delgado.</p>

	<p>opportunities through accelerated delivery of services whenever appropriates.</p>	<p>Intervention in Cabo Delgado initiating (phase I – fund from UNDP).</p>
<p>Political situation deteriorates and the government is not able to adhere to the implementation of long-term health strategies due to turnover of key decision maker and changes in priorities.</p>	<ul style="list-style-type: none"> • The MoH will adjust the implementation plan of the long-term health strategies (at targets if necessary) to compensate unexpected delays and move toward attainment of development goals. • The MoH in collaboration with partners will increase the visibility of public health strategies securing understanding and support from legislative and other branches of executive government to minimize a possible negative impact of turnover of key decision makers and associated revision of health sector priorities. 	<p>The conflict in North of the country is impacting on the country and in particular, on the MoH priorities for Emergency Response.</p> <p>UNDP Senior Management continues to meet with the Minister of Health to discuss the partnership and recently confirmed that UNDP, with support of its new sub-office in Pemba, Cabo Delgado – will fund phase I establishment of health community infrastructure interventions.</p> <p>UNDP Health Programme Manager attended the HPG high level meetings and informed on trends; and will lead phase II establishment</p>

		<p>of health community infrastructure interventions.</p> <p>UNDP recently integrated the TWG on monitoring pilot strategy of community health system, that is led by MoH in support of UNICEF and WHO.</p> <p>UNDP has no news on the National Health Observatory.</p>
<p>Socio-economic situation deteriorates and financial barriers impede access to and utilization of health services.</p>	<ul style="list-style-type: none"> • The MoH together with development partners will introduce alternative financing mechanism and will reallocate available funding to high priority public interventions such as HIV/AIDS, TB and Malaria to mitigate the risk. 	<p>UNDP Mozambique requested by donors to implement decentralized interventions 2021-2022 to reach out to target populations in remote areas.</p> <p>UNDP is also funding several Health infrastructure interventions in context of COVID-19 response and humanitarian crisis in Cabo Delgado.</p> <p>Furthermore, UNDP made provision of specific outputs for Health in the</p>

		<p>new Country Programme Document (CPD) for Mozambique (2022-2026), currently under draft – to reiterate its commitment and support to health sector, coordinating with other UN Agencies (WHO namely), according to its mandate in UN.</p>
--	--	---

• **Did the project face new risks during the reported period?**

During the implementation of the project the major additional risks were identified²:

1. Gap in core positions of UNDP Operations and Engineering Management.

- a. Insufficient number of HR for project implementation contracted at UNDP.
- b. Engineers not sufficiently on site for monitoring.

Mitigation measures:

- Maintained key technical personnel familiar with Project, example, the local recruited civil engineer and architect, through national individual consultant contracts;
- Project Support Unit recruitments fast tracked for the IUNV and national positions;
- Consultants from UNDP roster engaged as necessary.
- Project Support Unit complete and being reinforced in core positions, as per new agreement budget approval.
- UNDP advancing internal resources to keep the team in place with salaries and to fast-track recruitment processes while the new financing agreement is signed.

² Up-to-date risk log available in progress report October 2021 (in annex) and respectively uploaded in ATLAS.



Empowered lives.
Resilient nations.

Status:

- Funds mobilized with signature of new agreement for 3 core positions: finance specialist, procurement specialist and senior civil engineer. IPSA modality is not the ideal one and UNDP will continue advocacy to elevate to staff.
- UNDP has been allocating critical resources in support of HR structure that can respond to demands; namely Operations Specialist, that however funded by other projects is supporting Global Fund funded ones and reveals essential. UNDP to take proposal to MoH in November 2021, to integrate this position in core team for 2022, through verified savings.

2. Delays in the preparation of the new financing agreement 2021-2023 impacts on HR management, interventions planning and activities implementation.

Mitigation measures:

- UNDP advancing internal resources to keep the team in place with salaries and to fast-track recruitment processes while the new financing agreement is signed.
- Implementation slowed down in rhythm but never stopped.

Status:

- The new financing agreement was signed 27 July, with first disbursement received 8 September in projects accounts and official date for project validation (LPAC) being 30 September 2021.
- UNDP is preparing and will call an Ad-hoc project board for approval of reprogramming of annual work plan 2021 and 2022 (November 2021).

(3.b) Project Management

- **Organizational structure**

UNDP has established a Project Management Unit (PMU) located in the UNDP CO in Maputo which provides day to day management and operational support. The PMU has been benefited by UNDP common services and the oversee in the programme implementation by the UNDP senior management ensuring robust risk management and mitigation procedures.

Project Board provides strategic project management, and it is integrated by Senior Management MoH representatives, Ministry of Public Works, UNDP, being other UN Agencies invited (WHO and UNAIDS). Project Board reviews project implementation including project reports and work plans, and it serves as platform to discuss the direction of the project implementation as well as to make strategic decisions to ensure the best use of resources to achieve goals and objectives.

- **Monitoring**

On site visits conducted by the technical team and Programme Manager had provided data in the status of progress of different implementation works. Supervisory companies have also been contracted to monitor the quality in the advance of works implemented in different geographical areas. All data and handover reports received were validated by the technical team and supervised by the Local Fund Agent (LFA) in periodic visits required by GF.

Key ad-hoc site monitoring assessments were conducted by independent Civil Engineer and reports made available to inform implementation. A final evaluation has been conducted by an external consultant (in annex to this report).

- **Quality Assurance³**

Construction is an information-intensive activity, and the success of a construction project is dependent on the availability of accurate and timely data. Establishing M&E systems for managing such projects provides opportunities for the project implementing agency to meet the requirements of donors. The UNDP described M&E as the major management function hence, it is a good management tool that can be relied upon to improve projects' performance. However, interviewees indicated that M&E practices (including structured indicators-based reporting in accordance with a pre-set monitoring plan) were given less recognition in the project execution processes. Hence, the importance of M&E in the realization of project success can't be overstressed. M&E practices are important in managing project scope, time, cost, project quality, human resources, communication, and risk. There is a need to ensure assigning a dedicated M&E officer within UNDP CO in a project setting to help enforce M&E practices that lead to a successful project. The importance of an interactive communication process during the various stages of construction projects is needed to facilitate effective coordination throughout the project lifetime and provide sufficient information about the project to the appropriate stakeholders. Building on existing M&E system as per the project document to enable more efficient workflows, also at level of communication and coordination of contractors - is critical for future projects.

In conclusion, the project implementation was considered efficient as it incorporated the following criteria as part of its implementation:

- Deliverables achieved on time and budget (to the extent possible).
- The overhead cost is as low as possible.
- Appropriate resources acquired with due regard for relevant economic measures.
- Implementation decisions were made by the architect and engineers on the implementation levels as close to where the services are delivered.
- Duplication of resources was addressed and avoided.

³ Extract from the Final Evaluation report (in annex to this report).



Empowered lives.
Resilient nations.

(3.c) Partnerships and Cooperation

The HSS project was, and continues to be, uniquely positioned to add an important value within the context of the health system in the country.

The project is fully aligned to Mozambique's wider partnership environment. There is a consistency between the needs for the project, its prioritization within the development plan, and stakeholders' commitments to its objectives.

Similar to the health infrastructure Projects under implementation to strengthening the National Health System, this Project is based on a strong partnership with the Ministry of Health and subnational authorities at targeted health facilities' locations.

The MoH's timely input in all stages of the processes has proven crucial during the Project cycle implementation and their support essential in areas such as construction permits, working conditions for the labor force, and putting into action social and environmental considerations.

The Project established linkages and synergies with other health partners and UN Agencies working on the sector, reinforcing access to health services, and facilitating decentralization. These partners are also represented in or continued to be invited to the meetings of the Project Board. Partnerships within the framework of the National COVID-19 Emergency Response Plan will continue and new ones built as relevant to foster future cooperation and donor programmatic and financial coordination.

The Project is built on the basis of a strong relationship with the Ministry of Health and assumes an excellent coordination with the Government for the achievement of the Project's objectives. It is essential that interventions by the MoH such as construction permits are undertaken in a harmonized manner, and that there is continuing knowledge transfer between the MoH and the PMU/UNDP during implementation of the Project. Furthermore, the Project design assumes that:

- Stakeholders (Ministry of Health, Ministry of Public Works, Hospital Administrators and local authorities) understand and subscribe to the objectives and long terms goals of the Project, and contribute to the achievement of the desired results;
- Government will be able to retain all the capacity created with the support of the Project;

-
- Technical expertise with the knowledge and experience required to achieve the desired results is available and can ensure innovative approaches and highly relevant contributions to the process;
 - Effective coordination between UNDP programmes, with other UN agencies, and development partners ensures a collaborative approach, promotes synergies and avoids duplication of effort.

South-South and Triangular Cooperation (SSC/TrC):

The Project foresees the transfer of knowledge and skills to key personnel of the MoH at the national, provincial and district levels.

Technical and advisory support through UNDP Health Implementation Support teams transferred knowledge from health (re)construction activities implemented at UNDP internationally, including the Sub-Saharan region. Best practices of other countries in supporting sustainable healthcare infrastructure and health system strengthening will be applied through sharing the knowledge with Project partners and stakeholders.

Such an approach ensures the growth of human capital as well as of institutional expertise, both at MoH and at UNDP Mozambique.

National experts were contracted for the Project, ensuring use of local expertise teaming with international specialists.

Knowledge

The content of the Project provided an effective base for knowledge sharing and expansion of good practices:

- The Executive Projects can be used in future (re)constructions of health facilities.
- Technical Knowledge will be shared through involvement in the Project implementation cycle, joint monitoring visits in the field and regular progress debriefs.
- At the end of the Project, the Project Board will decide on ways to disseminate Lessons Learned.

(3.d) Challenges and Lessons Learned

- **Changes in project rationale**

The changes after the initial signature of PRODOC have impacted directly on the overall objective increasing the scope and resources allocated to carry on the new activities incorporated:

- Medical Warehouse Chimoio: The original scope did not include a separate equipment component or a waste management component, which resulted in a sub-project. Now it's spreading to two more sites.
- TB project: aspects related to contractual arrangements with the service providers impact the effectiveness of the implementation and additional works were requested by end-user at different provinces with requirement to align in all sites for standardization.
- Donor programmatic and financial coordination: In collaboration with National Logistics Working Group, through the Gavi, 02 cold rooms were acquired by UNICEF to be installed in the Medical Warehouse Chimoio.
- Interventions in Beira warehouse completely re-shaped
- Construction and rehabilitation of laboratories to support COVID19 response trusted to UNDP at beginning of the pandemic.

Main constraints faced:

Natural disasters & Public Health Calamity: 4 cyclones between 2019-2021 and COVID-19 pandemic impacted negatively in different areas namely:

- significant delay in import/transport of goods to the country;
- radical fluctuation in market prices that affects procurement plan of low-middle construction companies and their ability to prevent stock-outs in time were materials in country available reduced or became unavailable due to closure of borders;
- high rotativity of human resources in UNDP due to travel restrictions and Visa policy;
- complete restructure of modality of work with team elements located in different continents and time zones;
- increase in time of response from partner in critical validations due to lack of human resources available as efforts were deviated to response to the different emergencies and recently adding North Mozambique War.

- **Reaction to the changes**

The changes improved the contribution to original objectives and targets with the use of additional resources increasing the original amount in 53.8%.

The activity related to the intervention in Beira warehouse was postponed to the new grant to be implemented in the period 2021-2022 because the decision of MoH as Principal Recipient (PR) to change the scope of the renovation/ extension.

The construction and rehabilitation of Laboratories for COVID-19 testing was implemented satisfactorily providing the country with additional health facilities.

- **Lessons Learned**

Main Learnings:

Partnership: close collaboration with MoH and jointly monitoring and decision-making ensured timely problem-solving in a particularly difficult year and achievement of planned results as per donor expectations

Donor programmatic and financial coordination: In collaboration with National Logistics Working Group, through the Gavi, 02 cold rooms were acquired to be installed in the Medical Warehouse Chimoio. UNDP just started with the MoH-CMAM, with funding from GFATM, a full Rehabilitation Project for the Administrative building, including Demolition and Construction with Expansion up to more than 5200 pallet capacity for Medical Warehouse in Beira city, Sofala province – that is also to have cold rooms for vaccines. In addition, UNDP is also planning in same context to install a second incinerator in Nampula, to serve North Region, and for which the toolkit and materials that are planned to be prepared under Gavi TCA will be adopted, as UNDP is standardizing the equipment and complementing the necessary National guidelines in line with existing policies homologated by Government for appropriation and sustainability.

Key lessons learned⁴:

- **Adopting reasonable assumptions at the design and inception stage:** a key lesson learned was the importance of incorporating reasonable assumptions about the conditions and external requirements for such a project before committing a timeline with the beneficiary.
- **Role of M&E systems:** M&E practices were important in the management of project scope, time, cost, project quality, human resources, communication, and risk. There is a need to strengthen and empower the M&E Unit within UNDP CO in a project setting to help enforce M&E practices that lead to a successful project.
- **Partnership:** close collaboration with MoH and jointly monitoring and decision-making ensured timely problem-solving in a particularly difficult year and achieved planned results as per donor expectations. The UNDP partnership with the Government would benefit from a more comprehensive approach in setting a funding package for support to the implementation of the logistical plan that ensures robust and sustained capacity (both as infrastructure and institutional skills to develop and manage these infrastructures).
- **Donor programmatic and financial coordination:** In collaboration with the National Logistics Working Group, through the Gavi, additional interventions and opportunities for value-for-money could be identified and achieved. UNDP planned with the MoH-CMAM, with funding from GF, a full Rehabilitation Project for the Administrative building, including Demolition and Construction with Expansion up to more than 5200 pallet capacity for Medical warehouses Beira city, Sofala province – that is also to have cold rooms for vaccines. In addition, is also planned in the same context to install a second incinerator in Nampula to serve North Region, and for which the toolkit and materials that are planned to be prepared under Gavi TCA will be adopted, as UNDP is standardizing the equipment and complementing the necessary National guidelines in line with existing policies homologated by Government for appropriation and sustainability.
- **Integrated approach:** While space and equipment are important, having well-trained people with the appropriate supervision and accountability is the essential factor in determining whether a medical warehouse is productive and successful or not. In addition, hiring people and finding the correct mix is critical, particularly when there are unpredictable highs and lows in the workload. The medical warehouse planner's single most important activity is determining the type and number of people needed to operate the warehouse. The

⁴ Extract from the Final Evaluation report (in annex to this report).

continued alignment of UNDP with sector partners namely through Health Partners Group (HPG) is important and can contribute to reinforce advocacy in this key aspect to ensure holistic approaches for transformative interventions.

(3.e) Project visibility⁵

The overall assessment of the Project was successful.

The project is relevant; it reflects the thematic relevant priorities of the development partners in Mozambique. The project is linked and contributes to United Nations Development Assistance Framework (UNDAF) Outcome 8 and UNDP Country Program Document (CPD) Outcome 68. It is also linked and has been derived from Mozambique Pharmacy and Logistics Strategic Plan (PELF). The project involves several stakeholders from different agencies, local stakeholders, and donors (the Global Fund). It is consistent with a results-based approach with a set of results, baselines, targets, milestones, and performance indicators.

The project output is linked to the outcome defined in the Theory of Change (ToC) set at the design stage and without significant gaps. The output indicator is qualitative, given the nature of the project. The project performed well regarding its target, despite the delays during the implementation determined by multiple factors. The effectiveness is an important strength of the project, judging the fulfilment towards its targets and the absorbed resources.

The project implementation proved to be efficient when analysing the delivery and fulfilment of results versus the use of financial resources. Regarding the timeliness of the implementation of the planned activities, the project had some delays.

The distribution of the costs per output is adequate, and resources are used for the budget lines as planned without significant deviations. The evaluation did not indicate any significant alternative solutions, which could be provided at fewer expenses and would be more economical for the project.

⁵ Extract from the Final Evaluation report (in annex to this report).

Increasingly, sustainability is becoming a requirement rather than just a desirable characteristic, and its pursuit is bound to affect both the construction process and the built asset itself – financing for respective interventions for increased sustainability are therefore encouraged in future projects. In terms of institutional sustainability, the project was geared towards storage capacity development of the recipient entities (namely the Ministry of Health).

(3.f) Delivery⁶

Description	Total Budget	Total expenditures + commitments	Total Variance	% performance
Health System Strengthening	11,728,469.29	8,440,037.23	3,288,432.06	72.0%
HIV Component	6,252,385.56	5,630,016.73	622,368.83	90.0%
TB Component	2,622,538.07	2,120,761.72	501,776.35	80.9%
Malaria Component	2,499,204.95	390,076.23	2,109,128.72	15.6%
COVID-19_HSS INS RenovationsLAB	354,340.71	299,182.55	55,158.16	84.4%

The total delivery of the project reaches the 72% reduced mainly for the Malaria component with a performance of 15.6% due to the reason explained above related to the intervention in the Medical Warehouse in Beira.

In the case of TB component, it will be important to consider the additional works requested in May 2021 during the LFA visit. These additional works were approved on 25 August 2021 and are expected to be performed during the last quarter of 2021. However, at this point in time, technical solution of wards pillars issue is not yet agreed and validated; therefore the works cannot be executed and may imply implementation period in 2022 if approval is granted by donor.

⁶ Please refer to ‘Overall Financial Report, as submitted to the MoH on 5 October 2021’ (in annex to this report).

The remaining amount is required to be reimbursed to the GF as amount granted to cover taxes in the moment of signing the contracts. Once the works have finished and invoiced, the payment is made VAT excluded or, in case the VAT is paid (non-civil works related), reimburse is required to the Tax Authority. The amount unpaid or received as VAT remains in the budget allocation to be returned to donor (GF).

Below the status of the VAT amount related.

Output	Description	Budget	Expenses	Commitment	Available Budget	VAT collected	Claimed pending of being paid	VAT certified (or to be certified)	Amount cannot be collected because is overdue
00112777	HIV Component	6,252,385.56	5,623,221.83	2,200.00	626,963.73	229,894.36	-	292,975.62	123,878.69
00114917	TB Component	2,622,538.07	1,506,208.82	615,262.42	501,066.83	21,219.47		186,270.67	
00121154	Malaria Component	2,499,204.95	390,076.23	106,518.50	2,002,610.22				
00123465	COVID19 HSS INS RenovationsLAB	354,340.71	295,655.07	0.00	58,685.64	7,041.65	1,738.56	39,552.29	
	Total HSS - Global Fund + TRAC	11,728,469.29	7,815,161.95	723,980.92	3,189,326.42	258,155.48	1,738.56	518,798.58	123,878.69

(3.g) Conclusions, Recommendations and Opportunities for Follow-up⁷

Health is both a driver and outcome of development, and it is a human right. UNDP focuses on addressing the social, economic, and environmental determinants of health, primarily responsible for health inequalities. The project supports the Ministry of Health in the implementation of the Global Fund HIV and TB Grants. The project's key activities are critical to building a Resilient and Sustainable System for Health that can support efficient, scale-up, quality national responses to priority diseases and health conditions. In addition, the project was guided by human rights by prioritizing accountability, meaningful participation, and non-discrimination. Potential adverse impacts on the enjoyment of human rights were identified and assessed as

⁷ Extract from the Final Evaluation report (in annex to this report).

relevant and appropriate mitigation and management measures incorporated into the project design and budget.

Learning can be defined as the process of improving actions through better knowledge and understanding. In construction project development, the lessons learned in executing a project (whether the project is a success or failure) could be applied to future projects. These principles were adopted to develop the list of recommendations below.

Recommendations:

- 1. Continue to build the partnership between the UNDP and MoH to support the health system's decentralization agenda and enhance equity outcomes.** There is a need for structuring the supply chain to better respond to the needs of a decentralized and expanding health system will be a primary objective for MoH under the reform agenda. The decentralization plan is a means to achieving greater equity in access to essential medical products and technologies. Moving forward, UNDP and other stakeholders can provide targeted support to the Government to advance the Decentralization agenda in a meaningful manner. Strategizing the support to implement the PELF can benefit from a well-elaborated and aligned support plan to achieve coherent development agenda in the area. Within this domain, UNDP has established a fruitful collaboration with the local authorities by building and strengthening their capacity in strategic planning and budgeting, management and leadership, resource mobilization, doing business, and improvement of the socio-economic infrastructure, which is expected to be used in project implementation. These partnerships need to be maintained and strengthened. For the materialization of the principle of equity, future collaboration must ensure the achievement of equity outcomes associated with similar kinds of projects.
- 2. Align the governance and coordination of similar future projects with existing structures.** It is recommended that UNDP align the boards' composition that oversees similar projects to existing structures or coordination forums. UNDP is already a key member of some of these forums. As indicated during the interviews, there is already a National Taskforce that supports the implementation of PELF at the national level that is composed of almost similar stakeholders. Building on exiting coordination and

engagement platforms is essential to increase efficiency and strengthen the capacities in the long term.

- 3. Work in advance to address and overcome the anticipated bottlenecks.** A key lesson learned was the importance of incorporating reasonable assumptions about the conditions and external requirements for such a project before committing a timeline with the beneficiary. Government regulations were identified as the most important driver of increasing complexity; next is bureaucracy and political risk. On the other hand, the Manica project provided a good opportunity for the UNDP team to study all aspects and understand how to avoid backlogs in granting permits and avoiding delays in future projects. This could be achieved through seeking support from MoH dedicated focal persons to coordinate with local authorities. On the other hand, UNDP's internal processes (including development of project document, as well as approvals) have been cited as a source of delay and has contributed to overall delays in completing the construction. An appropriate balance is required between offering speedy approval processes while managing all stakeholders' contributions. In addition, it is important to promote partnerships or even informal sharing among individual local private sector companies at a large scale. Increasing knowledge sharing among peers can help close the gap between technological development (available for early adaptors or technology) and application of these new technologies. For this purpose, the relevant partners (including UNDP and others) should strengthen the existing platform that coordinate the local and regional private firms. That platform could encourage the regular sharing of best practices, benchmarking across peers.
- 4. Align health-related development prioritization according to government prioritization.** The selection of the location for the warehouse project was well reflected in different documents, which makes it relevant to the true needs of the communities. Moving forward, it is recommended that UNDP continues to align its development priority actions on HSS in close collaboration with the government and agree on prioritization of the different zones depending on the actual needs.
- 5. Develop an integrated approach for technical assistance and capacity building, if funded by donors in future interventions.** Close cooperation was considered essential to increase adherence and accountability to project results; the schedule of activities is

adjusted to ensure the effective and timely implementation of project activities in the project target areas. This aspect will continue to be an essential component of any future similar projects, and it is crucial to address it through sustained solutions in the long term. A formal capacity-building program relevant to the construction and management of intermediary warehouses will be an important foundation for successfully implementing the additional warehouses. It is important that MOH (as the PR) should look into these needs for all future projects. The UNDP partnership with the Government would benefit from a more comprehensive approach in setting a package of support to the implementation of the logistical plan that ensures robust and sustained capacity (both as infrastructure and institutional skills to develop and manage these infrastructures). Applying this strategy for people development ensures that local staff continuously grow and acquire the right skill set. It does so by leveraging the UNDP's knowledge base.

- 6. Document lessons learned on the design of the intermediary medical warehouses before the expansion of the model.** The project under evaluation was revised jointly with MoH verified and validated for future use as a model (project type) for intermediary medical warehouses construction to reinforce the implementation of national reforms (with 28 additional intermediary warehouses targeted in the next period). Extending this model to the rest of future projects will enhance the learning process for successful implementation. Lessons learned from the Manica medical warehouse project could be usefully applied to subsequent projects. This process needs to be institutionalized by the MOH. Such experience would be a significant advantage to UNDP to craft the offering on strengthening the supply systems in the public health sector in Mozambique. Even though no two construction projects are identical, the “lessons learned” from one project can prove very helpful when applied to another. UNDP CO has been shared key lessons and good practices even with other UNDP CO so that that project management can undergo continuous improvement across projects.
- 7. MOH to focus the capacity-building interventions on priority areas and based on robust need assessment.** While this project under evaluation has no component to support structured formal training or capacity-building activities, it is recommended to adopt such intervention as part of a wider package of offering from UNDP in the future. As reflected in the national strategic plans, some priority areas could be targeted by UNDP

to complement the development of infrastructure and to advance the decentralization agenda. For instance, training of supply chain managers in priority areas is a short-term solution to cover urgent gaps; better integration of medical university curriculum and in-service training is considered a long-term solution for capacity building and sustaining the required knowledge and skills. It is essential to capitalize on the existing capacities already available at the MoH or created because of the project in Manica. There is a need however to avoid any overlap in this area as other partners are supporting this component. In addition, it is important for other partners to devote attention to aspects related to managing a reliable Logistics Management Information system (LMIS), electricity supply for cold chain maintenance services, and other technical aspects that enable effective management of the warehouses. It is recommended that UNDP CO develop a toolkit or hand booklet to capture the procedures and process of building the capacity of the government staff in the project's area that could be used for future projects. In addition, MoH and CMAM should be supported to identify gaps and risks and devise, on that basis, an executable workforce plan, including interventions to address any over-or under-supply of staff and any skills gaps. Initiate measures, such as recruiting, training, transfers, in-outsourcing, or lay-offs, appropriate to the business's significance and the time for qualification.

8. Diversify and differentiate the approach and business model for the technical assistance beyond construction activities to include other initiatives and innovations.

Maintaining the positive UNDP's partnership with the Government requires working closely with the project management team at central levels to identify opportunities for operational improvements, exploiting new technologies, identifying management information requirements and resources constraints in offering well-defined services, and delivering an expected product that fits the MoH's business objectives. UNDP's development support should be extended to the post-construction stage to support the operationalization as well. UNDP can diversify and differentiate its services in this area of health system support in Mozambique and identify its strategic focus. This should be done in a way that complements the existing offer, mandate and comparative advantage of other development partners and UN agencies. The needs are huge for supporting the health system, to further decentralize the operations that are the system's backbone, including medical supply operations. However, it is essential to finding the right balance between providing specialized in-country set-up and developing customized solutions on

the one hand and becoming more general and thereby achieving economies of scale and diversifying risk on the other. UNDP main comparative advantage is the ability to develop and mobilize the required know-how internally.

9. Identify opportunities for achieving efficiencies in scale and high value-for-money.

Lessons learned from the Manica project are identified and have been shared in different forums and reports. While there is no available funds by the time of this evaluation to establish the new warehouse, it is important this analysis to be conducted by MOH and stakeholders to inform the future plans. Sources for reducing the cost and achieving better efficiencies of scale should be identified before the next phase of the implementation. UNDP and stakeholders must devote efforts to identify the sources of value for money and eliminate avoidable and unnecessary costs for any future projects. Applying this approach will help partners develop robust investment cases that can drive additional investment in this strategic area within the health system. Furthermore, assessing the efficiency of such interventions generally requires comparing alternative approaches to achieving the same outputs. That will be easier for some types of intervention than others.

10. Ensure the Government maintains sustainable budgetary support for the operational costs associated with the new projects.

Beyond the project under evaluation, the government shall consider achieving further improvements in the available supply chain infrastructure to improve health services in the medium term. The planned and ongoing projects need to be completed and linked strategically to achieve the broader goals of the national strategic plan. UNDP shall continue its efforts to support future investments in such projects and their maintenance. UNDP is already a member of different coordination form and is well positioned to advocate for these important aspects. UNDP, in his integrator role, can play an important role of sensitizing the decision and policy makers of this essential provision.

11. Establish and integrate robust M&E systems as part of projects management of similar construction projects.

There is a need to strengthen and assigned an M&E staff within UNDP CO in a project setting to help enforce M&E practices that lead to a successful project. Building an M&E system that enables efficient communication and coordination

is critical for future projects. The evaluator recommends that UNDP CO establish the right M&E metrics and monitor the project progression continuously. Define appropriate KPIs that create transparency on the project's progress and enable early identification of any deviation.

12. Conduct a technical evaluation to assess the performance of the medical warehouse, if funded by donors in future interventions.

The performance evaluation of the warehouse was not technically evaluated in terms of assessing the overall warehouse structure; sizing and dimensioning the warehouse and its departments; determining the detailed layout within each department, selecting warehouse equipment; and selecting operational strategies. Performance evaluation is important for both warehouse design and operation. That is an important learning activity that could be completed immediately following this evaluation to inform the design of the next similar construction efforts. It is recommended that the performance evaluation methods include benchmarking and any suitable analytical models. This recommended evaluation can focus on 'Project Functionality and 'Fitness for Purpose.' The project functionality and fitness for a purpose are usually associated with project effectiveness measures. It is recommended for the Principal Recipient the MoH to conduct the analysis jointly with CMAM after one year of effective use to gather technical information of the design functionality is good for replication.

13. Conduct follow-up evaluation activities to complement the findings of this evaluation, if funded by donors in future interventions. Multiple activities were identified below during this evaluation as essential and complementary to its scope. It is recommended that stakeholders consider the following:

- a. It is recommended that MoH to adopt the pre-design evaluation process systematically to better understand early design decisions' effect, including beneficiary response initially. Incorporating the lessons learned from the design and implementation of the Manica medical warehouse is "fed forward" to the next facility design as a feedforward loop, which can lead to better-informed decisions and ultimately better designs. Conducting a process-design evaluation workshop before any future project will be crucial to incorporate the lessons learned.
- b. The Principal Recipient the MoH may consider conducting a sustainability assessment within two years period following this evaluation. It wasn't easy to provide a reliable

assessment of sustainability while activities are still underway or immediately following the closure of the project.

- c. The evaluator recommends an impact evaluation be conducted three years after the warehouse becomes operating fully. The evaluation could be conducted as a stand-alone or as part of wider supply chain evaluation activity. It was too early to measure and evaluate the actual impact; interventions that aim to strengthen the medical supply systems have indicated positive evidence on the linkages. Measuring the impact of the warehouse on ensuring sustained availability of essential medicines and contribution of that into reducing morbidity and mortality due to priority disease is an important impact dimension to be measured.
- d. Conducting an outcomes evaluation. The evaluation was conducted immediately following the completion of the project, without a time space to allow for the warehouse to operate and to assess its functionality. A key aspect missing from this evaluation is an outcome evaluation, which refers broadly to an indicator or measure of quality or performance. The evaluator recommends that the Principal Recipient the MoH to conduct another evaluation within a 9 to 12 months period to cover this important component. Suitable funding should be dedicated for this purpose.



*Empowered lives.
Resilient nations.*

Part D | Annexes:

1. Project Board presentation of 30 September 2021
2. Overall Financial Report, as submitted to the MoH on 5 October 2021
3. Progress Report 2021, as submitted to MoH on 18 October 2021
4. Final Project Evaluation