



“Health System Strengthening” (HSS)

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

Progress report February – December 2019



Mozambique, December 2019



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Project Overview:

Donor:	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 Grant Project (output): 00114917 - TB Grant
Contributing Outcome (UNDAF/CPD):	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.
Implementing Partner:	UNDP Mozambique (DIM Project)
LPAC meeting and Project Start Date:	22 February 2019
Amendment 1 signature:	4 November 2019
Project expected end date:	31 December 2020
Total resources required 2019-2020	USD 7,751,531



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1. Project Background:

Brief description:

The “*Health System Strengthening*” (HSS) Project is to undertake the construction (1 Medical Warehouse, 5 TB-MDR Wards and 17 shelters for TB clinics) and rehabilitation works, as part of the grant agreements between the Ministry of Health of the Republic of Mozambique (MoH) with the Global Fund to fight AIDS, Tuberculosis (TB) and Malaria (GF), in Mozambique in the area of HIV and TB (MOZ-H-MOH, MOZ-T-MOH). Within this project UNDP supports the Ministry of Health of the Republic of Mozambique, through the Central Medical Store of Mozambique (CMAM) to strengthen the capacities of the national medicine supply system and the National Tuberculosis Control Programme (NTP), to provide quality health services to the population of Mozambique at national and local level, living in remote areas, in absolute poverty, which includes people living with HIV and AIDS, Multi-drug Resistant Tuberculosis (MDR-TB) patients.

UNDP intervention under this Project contributes to the implementation of the CMAM Strategic Plan for Pharmaceutical Logistics (PELF) in two phases. In phase I, UNDP supports the reconstruction of Manica warehouse, five MDR-TB wards and seventeen waiting areas for the TB patients. In Phase II, UNDP will manage the rehabilitation of provincial warehouses, including the Beira Regional warehouse. UNDP support contributes to the CMAM and NTP efforts to improve treatment outcome of MDR-TB, infectious disease control, and storage conditions of the medicines, vaccines and other health products.

Objective:

The main objective of the HSS Project is to strengthen the national health system by reinforcing the medical supply chain system management and enhancing the MDR-TB treatment outcome through:

- Improved safety, security and storage conditions of medicines, vaccines and other health products at sub-national level through the construction of a provincial

warehouse in Chimoio (Phase I), the rehabilitation of provincial warehouses and repairs in Beira Regional warehouse (Phase II);

- Improved conditions of clinical care for MDR TB patients through the construction of five new wards for multi-drug resistant patients and 17 waiting shelters in the TB clinics (Phase I).

Coverage/locations:

National coverage, with prioritized provinces for:

- Construction of medical warehouse: Manica
- Construction of TB Wards: Gaza (2); Sofala (1); Zambezia (1) and Nampula (1)
- Construction of TB waiting areas: Gaza (5); Sofala (2); Zambezia (5); Nampula (5)



Figure 1: Initial civil works - cleaning the land to prepare construction of the Intermediary Medical Warehouse, Chimoio, Manica province.

2. Project Implementation Details:

Outcome: All people benefit from democratic and transparent governance institutions and systems that ensure peace consolidation, human rights and equitable service delivery (UNDAF outcome 8).

Results	Indicators	Baseline	Target / Year	Approved budget (USD, no GMS)
1.Improved safety, security and storage conditions of medicines, vaccines and other health products at sub-national level through the construction of a provincial warehouse in Chimoio (Phase I), the rehabilitation of provincial warehouses and repairs of Beira Regional warehouse (Phase II).	Number of newly constructed regional medical warehouses	0 (2018)	1 (2020)	3,476,889.69 (construction)
				290,000 (supervision)
				320,424 (equipment)
				235,000 (Incinerator)
				20,000 (Environmental Impact Study)
				4,342,313.69

2.Improved conditions of clinical care for MDR-TB patients through the construction of 5 new wards for multi-drug resistant patients and 17 waiting shelters in the TB clinics (Phase I).	2a. Number of <u>provinces</u> with improved MDR-TB cases management and infectious control.	0 (2018)	4 (2020)	1,156,166 (construction)
	2b. Number of waiting shelters for TB clinics constructed	0 (2018)	17 (2020)	479,000 (construction)
				140,000 (supervision)
				1,775,166
Total approved budget for phase I civil works 2019-2020 (USD), GMS not included				6,117,479.69
Total approved budget for phase I civil works 2019-2020 (USD)				6,362,179

3. Progress achieved:



Main achievements Q1 2019

Project inception / start-up completed, including:

- ✓ Finalized and signed Financing Agreement (annex 1) with the MoH, after cleared by GF
- ✓ Finalized and signed Project Document (PRODOC – annex 2) with the MoH
- ✓ Local Project Appraisal Committee (LPAC – annex 3) meeting conducted
- ✓ Planned disbursements HIV and TB received timely
- ✓ Project Board committee organized, and this management mechanism approved by the MoH Minister (annex 4)
- ✓ Q1 UNDP HQ mission to Mozambique conducted



Fig. 2: Project Document (PRODOC) signature after the Local Project Appraisal Committee (LPAC) meeting on 22 February 2019.

On the left, Mr. Martim Maya, UNDP Resident Representative a.i. On the right, Mr. Zacarias C. Zindoga, Permanent Secretary of the MoH (article available at: <http://www.misau.gov.mz/index.php/63-novo-projecto-impulsiona-sistema-de-saude-de-mocambique>)

On Solar for Health (S4H) component:

- Solar for Health assessment finalized in 7 sites (Pemba, Matola, Zimpeto, Lichinga, Nampula, Beira).

Report available (annex 5) and shared with Government and partners (e.g. CMAM, GAVI).



Fig. 3: Medical Warehouse Zâmbia, with Solar system installed. In Zâmbia, UNDP installed Solar Systems at all four Regional Hubs.



Main achievements Q2 2019

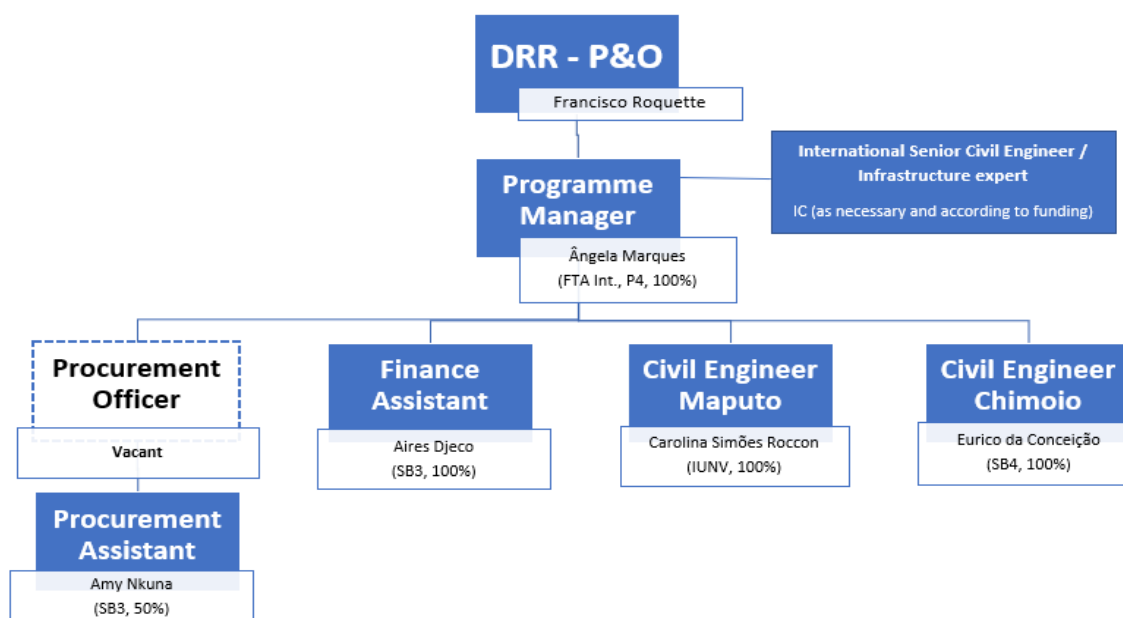
Project preparation phase concluded, including:

- ✓ Field site assessments conducted; recommendations approved by MoH
- ✓ Final updated 2019 list of health facilities approved by MoH
- ✓ Several partnerships consolidated in Government and UN Agencies
- ✓ Strategic partnerships in field of supply chain management initiated
- ✓ Topography Chimoio secured and approved by local authorities
- ✓ Tender documents finalized for all civil works phase I
- ✓ Final review of design and adjustment of BoQ finalized for civil works (HIV and TB)
- ✓ Tender documents Quality Assurance process completed by a UNDP independent Warehouse Specialist, with validation reports available and discussed with the MoH

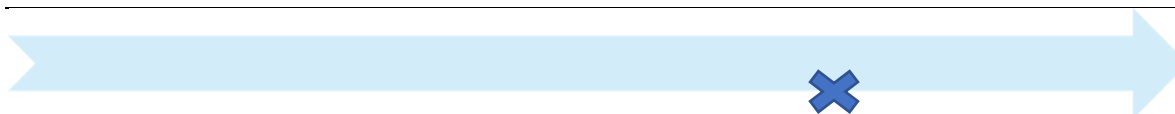
- ✓ Recommendations to improve efficiency presented to MoH and approved
- ✓ Project Support Unit: 2 civil engineers - hired; 1 procurement and 1 finance assistants – hired; Programme Manager - hired. New position of Procurement Officer approved with the signature of the amendment 1 to the Financing Agreement.

Project Support Unit:

Please refer to figure 4 below: organogram as of December 2019.



Note: DRR-P&O – Deputy Resident Representative for Programme and Operations.



Main achievements

Q3 2019

- ✓ **Medical Warehouse:** construction company selected; supervision company selected (confirmation received on 20 September); contract award phase ongoing.

Licensing processes: land ownership (DUAT) and environmental license (not adjusted to incinerator category) are granted, as per MoH information (pending documentation to be shared with UNDP); construction license to be secured (pending contracts signature with construction and supervision companies).

Office to UNDP Engineer in Chimoio: The Chimoio Health Director authorized and allocated to UNDP Engineer a room in Health Directorate building in Chimoio. A signed document to officiate this gesture was requested and is awaited. UNDP equipped the room.

- ✓ **TB civil works:** both construction and supervision companies are under evaluation.

Licensing processes: construction license can only be requested when construction and supervision companies are known; Ministry of Environment to confirm that there is not the need to issue environmental licenses; land ownership documentation to be confirmed.

- ✓ Project Board meeting semester 1 2019 (January-June) conducted

- ✓ **Amendment 1 to Financing Agreement:** CMAM confirmed workplan for HIV component; draft amendment text shared with GF for review; additional funds expected in October, particularly important to finalize contracts with supervision company (Medical Warehouse).



Figures 5 and 6: Image of Zambia Medical Warehouse - Dock levelers at Receiving Area (left) and at Dispatch Area – one of UNDP recommendations to MoH Executive Project and that was approved. Will be one of the innovations introduced in Mozambique Medical Warehouses construction Projects.

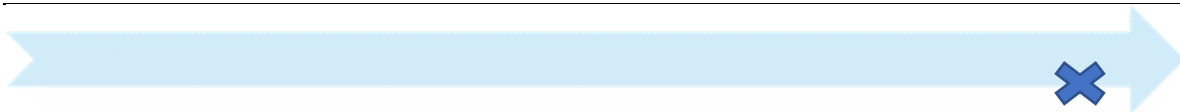


Figure 7: Other Supply Chain Management Activities included in Amendment 1 to the Financing Agreement - Incinerator.

UNDP supported the Zambia Medicines Regulatory Authority (ZAMRA) with the installation of 2 Incinerators at the ZAMRA premises. UNDP constructed an incineration compound that houses an incineration shed, offices, waste sorting areas, waste pit and other conveniences.



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Main achievements Q4 2019

- ✓ Partnership UNDP-Ministry of Health reinforced with the signature of the amendment 1 to the Financing Agreement for phase I, increasing Global Fund contribution to USD 7,7 million.

Revised Annual Work Plan will be presented to MoH once funds are applied in the UNDP project HIV and TB accounts.
- ✓ Eligibility for VAT certification confirmed by the Ministry of Health on 17 December 2019. To proceed now with request to be authorized to issue credentials.

Medical Warehouse:

- ✓ Construction and Supervision companies with contracts awarded.
- ✓ Consignation done on the 21 November 2019.
- ✓ Civil works initiated and duration estimated in 10 months.
- ✓ Construction License secured.
- ✓ MITADER authorized construction to start while the Environmental Impact study is conducted and submitted for validation.
- ✓ Engineer UNDP moved to Chimoio and based in the Provincial Directorate of Health.
- ✓ Vehicle for Chimoio arrived in country and legal documentation being processed.
- ✓ Two Walking In Cold Rooms financed by Gavi will be installed in the Warehouse for the vaccines quality storage.
- ✓ The UNDP solution for Racks approved with the signature of the amendment 1 increases the total storage capacity of the warehouse in additional 597 pallets (from 1200 to 1797).
- ✓ First civil works meeting scheduled for 20 December 2019, in the construction site, and the Deputy Director of CMAM will attend.



Figures 8 and 9: Progress of the civil works in Chimoio (Medical warehouse), as of 10 December 2019.

The construction of the newly Medical Warehouse in Manica province, Chimoio City, is on-track, with expected delivery to Ministry of Health in 2020, as planned. The new Medical Warehouse will contribute for a regular and continuous supply of vital and essential medicines and health products to users of National health System and in particularly to users of the municipality health facilities.

TB – Construction of TB Wards and Waiting areas:

- ✓ The tenders to select the construction and supervision companies will be re-launch for the third time in January 2020.

It remains the difficult to qualify suppliers, with zero companies identified to implement the civil works in the provinces of Sofala and Nampula. Therefore, UNDP is revising the evaluation criteria and media communication strategy.

To profit from the opportunity that a new tender is being prepared, UNDP, in close collaboration with the Engineers from the Infrastructure Department of the Ministry of Health, are updating the executive project (drawings and bill of quantities).

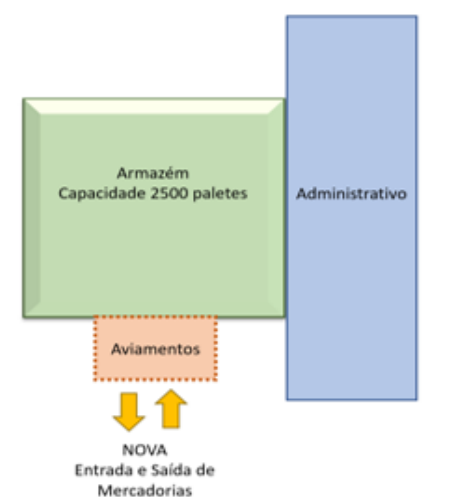
From this work, the results reflect not only in the capacity development of the Ministry of Health Engineers and Infrastructure Department staff, as it also ensures the quality of the

Executive Project of this specific Health infrastructures, that can be standardized and appropriated by Ministry of Health as an example to guide other potential donors. The innovations being included in the Executive Project will ensure that the epidemiological aspects are considered, promoting a safe environment for hospitalization and eliminating the risk of propagation of the disease. In addition, recommendations for safe construction are being validated and UNDP hence contributes, once more in TB component, for strengthening the resilience of Mozambique Health System.

Moreover, due to the specific epidemiological context of the disease, UNDP identified aspects in the Wards drawings that can promote the risk of infection. Those were presented to MISAU and a focal point from WHO was presented and can be engaged in the further discussions to update and validate the drawings, ensuring the quality of the executive project not only in terms of safe construction, but also, in terms of eliminate risks of infection.

The Project keeps on track as the construction works are estimated in 6 months for the wards and in 2 months for the waiting areas. The construction will occur simultaneously in the four provinces.

Global Fund Country Team November mission to Mozambique and conclusions to prepare the amendment 2 to the Financing Agreement for phase II (Rehabilitation component):



CMAM confirmed the scope of works for the Medical warehouse Pioneers (Beira).

The UNDP intervention will increase the storage capacity to 2500 pallets, preparing the infrastructure for future expansion in 2021.

UNDP is preparing the Executive Project and tender documents accordingly with the Government request, planning to open tender in January/February, to advance the procurement process while the amendment 2 for phase 2 is prepared and signed.



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Conclusion:

Although the Health System Strengthening is a recent Project signed in 22 February 2019, one of the major factors that contributed to be on-track was the consolidation of a strong partnership with Ministry of Health. Along with this, UNDP has been integrating as member in different National Working Groups. The technical support provided, combined with the sound experience in HIV and Health and in building resilient systems for health, is expected to contribute to new engagements with active donors in the sector, in support of Mozambique achieving Universal Health Coverage.

The Health System Strengthening intervention aligns with the UNDP signature solution on poverty as it ensures access to healthcare. In an development perspective, this intervention is capacitating the Government of Mozambique, through the Ministry of Health, Central Medical Stores, in implementing the National Strategies and in “leading the production and delivery of more and better, universally accessible basic health services through a decentralized system that privileges partnerships to maximize the health and well-being of all Mozambicans to lead a productive life towards development, personal and national ”, fulfilling the mission of the National Strategic Plan for Pharmaceutical Logistics and its future integration with the Extended Vaccination Programme.

4. Lessons Learned:

To reiterate what was reported in previous quarter: the close collaboration with MoH and the joint field monitoring and supervisions missions, by including the Engineers (members of Project Board) in the different missions continues to reveal a good practice. It has been particularly important in the introduction, mediation and negotiation with the local authorities at the different levels, which has revealed very positive for the engagement of different stakeholders in the Project, which is ultimately contributing for the Project appropriation.

Considering the capacity development and sustainability factors intrinsic to all UNDP Projects, the good relationship with the Government counterpart will continue to enhance to maintain the results at mid-long term, particularly important for the issue of infrastructure and equipment maintenance.

In the last quarter, the support provided by CMAM granted the licensing requirements necessary, making possible the construction to start timely.

In the case of TB infrastructures, the close engagement of the Engineers from the Infrastructure Department has been promoting a fast process of updating and validating the Wards and Waiting areas Executive Projects.



Figure 10: Image of the Consignation day of the Medical Warehouse (Chimoio).

5. Project Risks:

Please refer to updated Project risk log (annex 1).

6. Expenditure Report:

As per UNDP rules and regulations, the signed financial report and annual UNDP Combined Delivery Reports will be presented in first months 2020, as this document will only be validated after the year end closure exercise be completed.

Expenditure Status as of date of reporting (16 December 2019):

	HIV	TB
▪ Total Disbursements Received 2019	3,903,176	1,837,744
▪ Commitments	2,530,908	203
▪ Expenditures	1,142,107	100,962
▪ Total Commitments + Expenditures	3,673,015	101,165
Total Cash left (USD)	230,161	1,736,579
Delivery rate (%)	94%	6%

Observations:

Since the last progress reporting of third trimestral (September 2019), two disbursements were received for each one of the Project components (HIV and TB), as follows:

- Disbursement referring to 1 October 2019: received in UNDP account on the 15 October 2019 and applied in Project accounts in amounts of USD 1,763,604 for HIV and USD 871,876 for TB.

- Disbursement referring to 15 November 2019 (amendment 1): received in UNDP account only on the 11 December 2019 and at current date of reporting funds are not yet applied in the Project accounts, reason why amounts received are not reflecting in the above financial report details.
- The Annual Work Plan will be revised once funds are applied in the HIV and TB accounts and shall reflect in the next report to be provided to MoH in February 2020.

Balance of USD 230,161 in HIV component at present date, with the following payments pending:

- Vehicle insurance, radio and car track
- December payroll

Expected savings of about USD 200,000 in HIV component at the end of December 2019.

Identified savings due to:	Proposal ¹ to reprogram the savings to use in:
<ul style="list-style-type: none"> • Office rent: after negotiation with DPS Chimoio, a space for UNDP Engineer was granted with no request for payment. • Human Resources: Programme Manager only hired in October 2019 • HQ missions: only 1 conducted in 2019 	<p>Items not included in the Project Annual Work Plan:</p> <ul style="list-style-type: none"> • Translation services and legal certification (construction and supervision contracts) for VAT certification process – requirements • VAT booklet • Vehicle maintenance • Advertisements in local newspaper • Engineering Software

¹ To be presented to project Board of 19 December 2019.

	<p>Items included in the Project Annual Work Plan but with budget lines exhausted:</p> <ul style="list-style-type: none"> • Senior Civil Engineer (International Consultancy for all tender's technical documentation certification, includes rehabilitation Beira) • Possible addenda to contract of construction company (Medical Warehouse) – pending report from Engineering company (January) • Field missions (reinforce the monitoring of infrastructures in 2020) • Fuel for vehicle • Communication • Human Resources: consider adjustment to 2020 proforma costs
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TB component:

- As the tenders to select the construction and supervision companies will be re-launched in 2020, the Annual Work Plan will be revised to transfer the funds to 2020 implementation.
- In activity 4 (Project Management), identified savings are about USD 29,000 (after December payroll). Identified savings will be included in activity 4 of year 2020. Can be reconducted to complement gap



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7. Way forward:

The progress update hereby reported will be summarized to present to the MoH, during the December Project Board meeting.

The Project Annual Report for the donor will be finalized and submitted to the MISAU (UGFG) at the end of the year-cycle (February 2020), and will serve as support for the first disbursement request of 2020.

Below are key highlights of the immediate next steps per Project component.

a) HIV – Construction and equipment of Chimoio Medical warehouse:

- Ceremony of First Stone
- Development of the strategy for the Incinerator operation and maintenance
- Environmental Impact study
- Prepare the procurement of the incinerator and warehouse equipment
- Monitor the civil works

b) TB – Construction of TB Wards and Waiting areas:

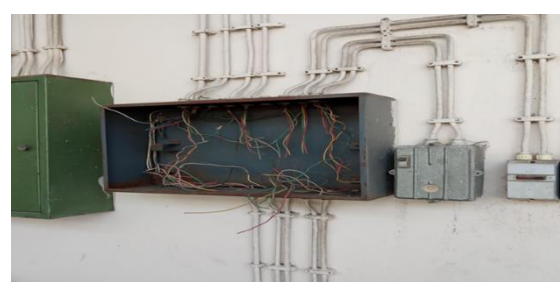
- Finalize the update of the Wards and waiting areas Project type
- Secure validation of the revised drawings and bill of quantities
- Re-open tender to select the construction and supervision companies
- Finalize all implantation plants per site;
- Finalize licensing process;
- Update the monitoring and supervision mission planning (UNDP-MoH-CMAM).

c) Management:

- Present revised Annual Work Plan 2020
- Present reprogramming plan to use 2019 savings
- Follow up the Eligibility and authorization to certificate VAT
- Submit to MoH Project Annual Report (February)
- Conduct first quarter 2020 Project Board meeting

d) Phase II:

- Complete Executive Project Beira and tender documents
- Prepare, finalize clearance and sign the amendment 2 (phase II) to Financing Agreement
- Collaborate with MoH for the prioritization of provincial medical warehouses, to allow decision about integration of respective rehabilitation works in the amendment 2 to the Financing Agreement



Figures 11 and 12: Images of the roof and electric board revealing urgent need for rehabilitation – Pioneers Medical Warehouse, Beira city, Sofala province.

List of Annexes:

1. Updated Project risk log