



“Health System Strengthening” (HSS)

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

Progress report

February – September 2019



Mozambique, September 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)
Project Start Date:	22 February 2019
Project expected end date:	31 December 2020
LPAC meeting date:	22 February 2019
2019 Annual Work Plan Budget:	USD 5,740,920
2020 Annual Work Plan Budget:	USD 570,236
Total resources required 2019-2020	USD 6,311,156



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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)



Figures 1 and 2: Patients waiting at the shadow of a tree in Health facility of Chalucwane, Gaza province, selected for the construction of a TB waiting area/shelter.

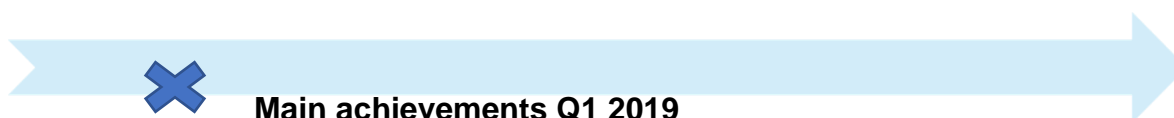
2. Project Implementation Details:

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)
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)	3,225,475
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)	<u>4</u> (2020)	1,156,166

	2b. Number of waiting shelters for TB clinics constructed	0 (2018)	17 (2020)	479,000
Total approved budget for phase I civil works 2019-2020 (USD)				4,860,642

3. Progress achieved:



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. 3: 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. 4: Medical Warehouse Zâmbia, with Solar system installed. In Zâmbia, UNDP installed Solar Systems at all four Regional Hubs.



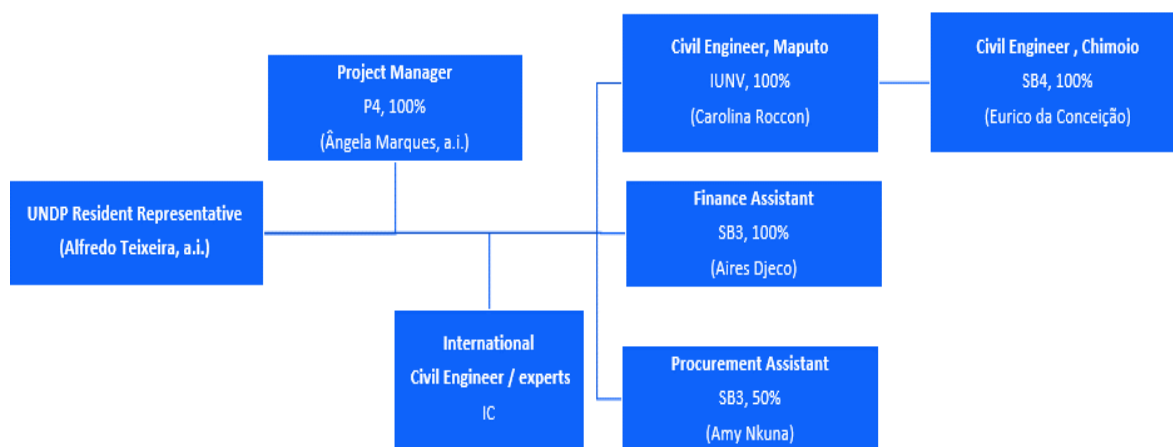
Main achievements Q2 2019

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; 1 procurement and 1 finance assistants - hired.

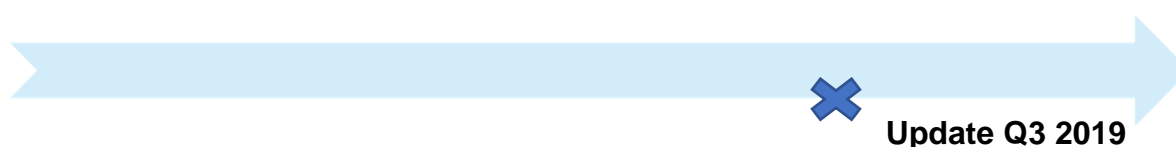
Project Support Unit:

Please refer to figure 5 below: organogram as of June 2019.



Update as of September 2019: The recruitment process for the Project Manager is currently being finalized. Ms. Ângela Marques was recently confirmed and will assume position in October 2019.

The final organogram will be presented in November 2019 Project Board meeting.



- ✓ **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



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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 conducted (annexes 5 and 6)

✓ **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 6 and 7: Image of Zâmbia 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 8: 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.

4. Project Risks:

Initial Risk Analysis available in pages 47-49 of PRODOC.

Q3 update of Project risks and actions taken:

- **Project Risk 1:** Civil Works Phase I specifications incomplete leading to large number of variations.

Actions taken:

- Combined on-site evaluations by joint teams (UNDP local recruited senior civil engineer and MoH);
 - Final specifications revised by a UNDP independent Warehouse Specialist, internationally recruited through UNDP Procurement Support Unit (PSM) roster managed by Global Fund Health Implementation Support Team (GF-HIST) in Copenhagen;
 - Technical discussions hold with MoH and partners (PSM-USAID);
 - Periodic updates presented to MoH and in Project Board meeting.
-
- **Project Risk 2:** Low quality bill of quantities (BoQ) and drawings allowing for contractor interpretation.

Action taken: Implemented a Quality Assurance Mechanism.

- **Project Risk 3:** Not enough dissemination of the tender documents, particularly for the case of TB civil works.



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Actions taken:

- Scope of communication expanded to MoH at central, district and provincial levels;
 - Advertisements in national newspaper with large coverage;
 - National association of construction notified of tender processes information;
 - Project Board members notified of tender processes information.
-
- **Project Risk 4:** Short posting timeline *versus* complexity of civil works.

Actions taken:

- Medical Warehouse case: application deadline extended after mandatory site visit.
 - TB civil works: tender re-advertised.
-
- **Project Risk 5:** Bid Security.

Action taken: clause of Bid Security included in the tender document and as criteria to evaluate bidder's eligibility.

- **Project Risk 6:** Subjective Evaluation Criteria.

Action taken:

- Developed a Market Research by a UNDP local recruited senior civil engineer;
- Received recommendations from an independent Warehouse Specialist (UNDP PSM roster).



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- **Project Risk 7:** Change of Key Personnel from UNDP.

Actions taken:

- 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;
 - Project Manager a.i., from the UNDP HIV, Health and Development (HHD) roster, remained in country as international consultant, to avoid any gap in Management, until the recruitment process for the staff position is finalized;
 - Global Fund Health Implementation Support Team and HHD team, from Copenhagen and Geneva, have been accompanying the Project and providing guidance and support.
- **Project Risk 8:** Engineers not sufficiently on site for monitoring.

Actions taken:

- UNDP national experienced Civil Engineer recruited to monitor closely the Medical Warehouse Project daily on site and with responsibility for this contract management;
- UNDP international UNV experienced with GF Health infrastructure projects recruited to oversight all civil works projects; with cumulative responsibility of TB civil works contract management;
- UNDP independent Warehouse Specialist continues to be engaged in critical phases, for example, to revise and recommend on the technical proposal of selected construction company, advising on special conditions to be included in the contract, as risk management measure;



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- UNDP independent Warehouse Specialist and/or a Quantity Surveyor will visit Mozambique, Chimoio, to evaluate the progress of construction, and the missions will match with critical milestones of civil works, identified by UNDP Engineers;
 - National supervision companies are being engaged;
 - Monthly joint monitoring and supervision missions are planned, and the team will be formed by UNDP Engineer, MoH Engineer and CMAM representative (Engineer). Both MoH-CMAM Engineers are members of Project Board, to promote transparency during the progress reports presentation to MoH, namely done in the quarter Project Board meetings.
- **Project Risk 9**: Budget exceeded.

Action taken: detailed additional costs and justifications presented to MoH in technical meetings, in Project Board meeting, and escalate to GF – amendment to phase I under final stage of negotiation.

Note:

- A mitigation risk matrix is in place (annex 8) for the case of Medical Warehouse construction.
- Updated risk log will be presented in the Project Board meeting of November 2019.



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5. Other Implementation Challenge and Lessons Learned:

To complement above risk chapter, it is to highlight the below:

Challenge:

Land allocated for the construction of Chimoio Medical Warehouse changed in November 2018 and when a new assessment was done in 2019, during Project preparation phase, was verified that topography and land coordinates were not available. Without this information, definitive land ownership document (DUAT) and licenses (namely environmental) could not be provided and therefore, construction could not be done.

Action Taken:

UNDP activated local consultancies using savings from Human Resources lines. A special mission integrating a UNDP local recruited Senior Civil Engineer and Senior Architect, jointly with MoH (CMAM representative), went to Chimoio and conducted topographic survey, prepared the implantation plant and submitted all documentation to local authorities, for approval and validation.

Lessons Learnt:

Although this was a costly mission to the Project, unforeseen in initial Annual Work Plan, the joint action UNDP-MoH allowed to timely: (i) secure essential document that confirms that the Land is own by Government; (ii) design the implantation plant, necessary to complete the tender documents; (iii) conduct site visit and clarify questions to the interested bidders; (iv) issue environmental license (simple category); (v) ensure due diligences to mitigate risk, as adjusting the specifications and BoQ, for the construction and supervision companies to work, considering the geographic characteristics of the construction site.

Recommendations:

Continue 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. The planning of field mission’s chronogram to be jointly (UNDP-MoH) prepared and updates of implementation to be communicated in quarter Project Board meetings.

It is to register that the MoH, particularly PMU and CMAM, have been providing crucial support to UNDP and promoting UNDP presentation to local authorities, which has revealed very positive for the engagement of different stakeholders in the project, which will ultimately contribute for the Project appropriation. Considering the capacity development and sustainability factors intrinsic to all UNDP Projects, the good relationship with the Government counterpart will enhance to maintain the results at mid-long term, particularly important for the issue of infrastructure and equipment maintenance.



Figures 9 and 10: Topographic survey done in Chimoio.



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6. Expenditure Report:

Please refer to financial report (annex 9) and UNDP Combined Delivery Report (annex 10) submitted to MoH (PMU) for complete information regarding the first semester 2019.

As per UNDP rules and regulations, the signed financial report and quarter three (Q3) UNDP Combined Delivery Reports will be presented as of 30 of September.

The next programmatic and financial update will be presented to MoH in the November Project Board meeting.

Expenditure Status as of date of reporting (20 September 2019):

	HIV	TB
▪ Total Disbursements Received 2019	2,139,572	965,868
▪ Commitments	1,786,884	14,761
▪ Expenditures	202,891	71,591
▪ Total Commitments + Expenditures	1,989,775	86,352
Total Cash left (USD)	149, 797	879,516
Delivery rate (%)	93	9



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7. Way forward:

Below are key highlights of the immediate next steps per Project component. The next progress update will be done in November, during the Project Board meeting.

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

- Sign contracts with construction and supervision companies, that are now selected;
- Issue construction license;
- Mobilize permanently UNDP Engineer to Chimoio;
- Receive vehicle in country and dispatch to Chimoio;
- Update the monitoring and supervision mission plan (UNDP-MoH-CMAM), according to risk mitigation matrix;
- Initiate Environmental Impact Study and Incinerator Project to secure adequate Environmental License;
- Earthworks to initiate in October, as soon as the supervision company is able to start the works (pending contract signature and emission of construction license).

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

- Finalize the evaluation process for the selection of the construction and supervision companies;
- Finalize all implantation plants per site;
- Finalize licensing process;
- Update the monitoring and supervision mission planning (UNDP-MoH-CMAM).



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c) Management:

- Finalize clearance and signature process of amendment 1 to Financing Agreement;
- Finalize discussion with MoH for phase II and complete Executive Project in preparation of amendment 2 to Financing Agreement;
- Collaborate with MoH for the prioritization of provincial rehabilitation works and to allow decision of possible amendment 3 to Financing Agreement;
- Submit to MoH Q3 2019 financial report;
- Conduct November Project Board meeting.

List of Annexes:

1. Financing Agreement
2. Project Document signed with the MoH
3. LPAC minutes
4. MoH approval of constitution of the Project Board
5. Solar for Health Assessment (general report, per site available upon request)
6. Project Board minutes (29 July 2019)
7. Project Board membership list (29 July 2019)
8. Mitigation risk matrix - Medical Warehouse construction
9. Financial Report Q2 2019 (cumulative semester 1)
10. Combined Delivery Report Q2 2019 (cumulative semester 1)