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# 1. PROJECT SHEET

## Basic Information of the Project

Country	:	Mozambique
DAC Sector and subsector	:	Health
National or regional institution in charge of the execution: Cooperação Ministério de Saúde	:	Direcção de Planificação e
Agencies in charge of the execution	:	Departement of Infra- Structures (formerly GACOPI)
Number of BTC international cooperation experts	:	
Duration of the project (according to SA/SC)	:	60 months
Start date of the project:		
according to SA/SC	:	04 May 2006
effective	:	01 May 2007
End date of the project :		
according to SA/SC	:	04 May 2010
estimate	:	31 March 2011
Project management methods	:	Co-Management (on Budget)
Project total budget	:	5.548.374- €
Report covering the period	:	1 Jan 2007 – 31 Dec 2007

## 2. BRIEF FACTUAL OVERVIEW

### Introduction

Mozambique has been a partner country of Belgian development cooperation on Ad Hoc basis since 2001.

The first joint commission meeting took place between the 4<sup>th</sup>. and 6<sup>th</sup>. May 2006, where the first ICP for the period 2006/2008 as well as the Specific Agreement for this project were approved and signed by both parties.

The general objective of Belgian development cooperation with Mozambique is poverty reduction. Belgian cooperation strategy in Mozambique has been designed following the guidelines of the poverty reduction strategy paper of the country (PARPA). That strategy is based on six priorities, including education, health, agriculture and rural development, basic infrastructure, good governance and macroeconomic and financial management.

### Belgian Cooperation in the Investment Sector in Mozambique

The Belgian Cooperation in the Investment sector of Mozambique is mainly:

#### FINANCIAL AID (BUDGET SUPPORT)

Mozambique is one of the developing countries where donors are using the state budget to channel their support with the overall objective of reducing poverty.

Donor funding is spent within a global planning framework for poverty alleviation and in accordance with the recipient country's own procedures and mechanisms. Emphasis is placed on good governance and the adoption of sound macro-economic policies by the government. The objective of the Mozambican poverty reduction strategy plan is to alleviate poverty through improving public service delivery including health, education and basic infrastructure and to create conditions conducive for the development of the private sector.

Parallel with budget support and an important pre-condition for budget support is the development of a performing public management system. As part of the Public Sector reform, the Belgian Government is supporting a programme geared towards the modernization of the State Finance Management (SISTAFE).

#### PRPE; POST-FLOOD RECONSTRUCTION PROGRAMME

In 2002, Belgian Technical Cooperation started a programme aimed at assisting the Mozambican government in the reconstruction/construction and equipment of a number of health facilities that had been washed away by devastating floods of 2000 in the provinces of Maputo, Gaza, Inhambane and Sofala. The funds are channeled directly through the government budget (on budget aid). Implementation of the programme is done by the Investment Unit of the Ministry of Health, Department of Infra-Structures (formerly known as GACOPI) fully in line with Government Structure put in place to implement and monitor all Health Facility projects in the country.

The first phase of the project started in 2001, known as PRPE I was closed in December 2006. The remaining works and the supply of most of the equipment was transferred to this second phase, totaling an amount of about 1.724.290 Euros.

## Existing Specific Agreement

The Existing Intervention “Programa Pós- Emergencia de Reabilitação e Reconstrução de Infra-Estruturas do Sector de Saude (PRPE) –Part II” is an agreement between the Government of The Republic of Mozambique and The Kingdom of Belgium. A Specific Agreement was signed between both parties on 04<sup>th</sup> of May, 2006. It will expire on the 04<sup>th</sup> of November 2010. The initial total budget was then 3.750.000 EUR.

Based on the agreement of the of the JLCB of PRPE I held in December 2006, it was decided to transfer all remaining works and the balance of the budget into PRPE II.

In June 2007, the JLCB of PRPE II approved the review/ migration of the TFF, thus increasing the budget to 5.474.290 EUR

The intervention started on the November 2007, when the first Cash Call of the project was exceptionally approved and funds totaling 1.500.000 EUR were then transferred into the project account. The remaining works of PRPE 1, namely the construction works at the Chibuto Hospital, Marien Ngouabi Health Centre and at Health Centre in Inhassoro, as well as the procurement of remaining equipment included in the phase 1, continued though the trough out the year of 2007. During this period the project also initiated the works at Jose Macamo Hospital in Maputo and the review of the Plans for the Rural Hospital in Mai.

## 3. OVERVIEW OF ACTIVITY PLANNING

### 3.1 Activity overview

#### Approach

As the Migration Process of the project TFF into the 3<sup>rd</sup> Management Contract modalities, has not yet been completed though the project has completed its review in July 2007, BTC MOZ requested an advance of 1.500.000 EUR, which was exceptionally approved by BTC Brussels in November 2007. This funds were mainly used to continue the works of PRPE I and to initiate the co-funding of the works at Jose Macamo Hospital in Maputo as well as for the review of the construction plans of the rural Hospital in Mapai.

As the first JLCB has not yet taken place ( due to take place in April 2007), no formal plans have been approved, therefore the interventions are based on the tasks and responsibilities set in the Specific Agreement and on the results included in revised TFF presented for DGCD approval in July 2007.

#### Implementation Modalities

According to the Specific Agreement, a JLCB (Steering Committee) is set-up to approve the 6-monthly actions plans, the Technical and Financial reports and Cash Flow reports on the basis of which request for release of funds will be made; to appreciate the progress of the project and

realization of global objective based on the Technical and financial reports; to evaluate proposals concerning adjustments or modifications of intermediate results without changing the specific objectives and respecting the limits of the approved budget and Countersign the final report

### 3.2 Analysis of activity planning

The activities programmed for each Key Result Area (Intermediate Results- IR), relate to all tasks and duties; see Annex 1.

Based on the planning of activities, the progress chart below for January 2008 was produced:

<b>PROGRESS</b> relative weight dd. 15 Jan 08		
<b>IR 1: Mapai District Hospital + number of selected primary health Centers</b>		
1) Review of Plans/Procurement		25%
2) Construction Works		
3) Equipment		
4) Staff		
<b>IR 2: Co-Funding Jose Macamo Hospital</b>		
1) Procurement		100%
2) Construction works		25%
3) Equipment		
4) Staff		
<b>IR 3: Upgrade Implementation Capacity of executing agencies</b>		
1) Assessment		0%
2) Training/equip		0%
3)		
<b>IR 4: Continuation PRPE 1</b>		
1) Completion Chibuto		90%
2) Completion Machubo		100%
3) Completion Marien Ngouabi		80%
4) Completion Inhassoro		90%
5) Purchase Equipment		90%
<b>IR 5: Genarl Means</b>		
1) Formulation		90%
2) Value for Money		

## 4. FINANCIAL OVERVIEW

### 4.1 Overview of expenditure versus financial planning

The total budget of the project is 5.474.290,- €

01	Mapai District Hospital	Co-Management	2.520.000
02	Jose Macamo Hospital	Co-Management	506.000
03	Implementation Capacity of the executing agencies	Co-Management	145.500
04	Continuation PRPE I	Co-Management	1.724.290
05	General Means	REGIE	578.500
<b>TOTAL</b>			<b>5.474.290</b>

### 4.2 Analysis of the financial planning

As no formal work plans have been presented yet, the financial planning was based on the previous experience from PRPE 1, and funds were requested in order to allow the project to continue works and to pay outstanding bills from PRPE 1. Funds were only released during Q3, therefore the project could not spend any funds during the first two quarters of 2007, this implying a very low execution rate during the period under review (only 1.500.00 EUR were spent).



## 5. MONITORING OF THE INDICATORS

### 5.1 General and Specific objective

This is part of the Belgian Commitment made in Rome 2000, regarding the post -flood assistance to Mozambique, particularly in the rehabilitation of health facilities washed away by the floods in the affected areas of Maputo, Gaza, Inhambane and Sofala Provinces

#### THE GENERAL OBJECTIVE

The general objective is to contribute to restoring and improving the access to basic health services of the population of Mozambique: - through reconstruction and rehabilitation of existing health structures; - through the construction of a new hospital (Mapai Hospital) in Gaza province

#### THE SPECIFIC OBJECTIVE

The specific objective is to: - demolished health infrastructure is reconstructed and improved for providing and securing basic health services in the affected areas; - a new hospital in Gaza province (Mapai Hospital) provides access to health services in an area where the population has no access to referral services within an area of 100Km<sup>2</sup>

### 5.2 Results

#### EXPECTED RESULTS

Government policies of Belgium and BTC in particular are focused on the Indicators of Progress as detailed in the Paris Declaration on Aid Effectiveness of Ownership, Alignment, Harmonisation, Managing for Results and Mutual Accountability.

It is in this respect that this grant is channelled to the Government of Mozambique through the National Treasury (on Budget Support) and its implementation is done through the Department of Infrastructure of MISAU, thus avoiding duplication, substitution and parallel project implementation units.

The main results of this project are as follows: - Construction of the Mapai Hospital and of a selected numbers of primary health centers and their supportive infrastructure are re(constructed); - Rehabilitation of Jose Macamo Hospital; - Consolidation of the implementation capacity of the executing agencies; continuation of the PRPE 1 activities.

The TFF also includes some funds for the general means, which have covered the formulation activities of the project

### 5.3 Indicator evolution

See Annex 01: Key Result Areas and Activities

## 6. ASSESSMENT OF MONITORING CRITERIA

Reporting on execution of project will follow regular Mozambican budget procedures for quarterly reporting.

In addition, value for money audits will be carried out on a sample activities financed with the grant. The sample will be agreed upon between parties in the course of the execution of the programme; independent, reputable auditors, acceptable for both parties will carry out these audits. The Mozambican Minister will commission the audits. The costs of the audits will be eligible for financing with the grant

The auditing department of the Ministry of Finance, the IGF, will produce an annual internal audit of the flow of the funds stemming from the grant starting from the Belgian-Mozambique account at the Central Bank, as well as a report on the rules and regulations for budget execution, with respect to the expenditures financed the grant. At the end of the project an internal audit report will be provided within three months after activities have been carried out

The Mozambican party will provide a final financial and implementation report not later than three months after completion of activities

### 6.1 Efficiency

It is difficult to make a finding on efficiency and impact when the project has just started and there are no formal action plans for the period under review. The project efficiency is to be validated through the Value for Money Audits to be undertaken by an independent and reputable entity acceptable for both parties, this has however not yet been awarded as the project has not yet formally been started

### 6.2 Effectiveness

The project has been effective in completing the remaining works from PRPE 1, particularly in regard to the construction works and the purchase of equipment for completed units. It has also been effective in the co-funding of the works at Jose Macamo Hospital where construction works are progressing positively. The Value for money audits undertaken by KPMG during the first phase has validated the quality of the works as well as the procurement process done according to government procedures and regulations

### 6.3 Sustainability

In order to assure the organizational sustainability of the program, the Mozambican partner will implement the existing human resources development plan and assure sufficient and qualified human resources to work in the rehabilitated health infrastructures. On the other hand in order to assure the financial sustainability of the program, maintenance of infrastructure will be taken into account in the future /medium term expenditure framework

## 7. MEASURES AND RECOMMANDATIONS

### 7.1 Overview of the assessment criteria

Once the migration process is approved by DGCD, a JLCB meeting will approve the first 6-monthly action plans. The steering Committee will meet regularly (every semester and at the initiative of the members approved by the chairman). This assessment is however taken from the day-to day follow up of project activities done jointly by the partner and the BTC office in Mozambique.

### 7.2 Recommendations

It is extremely urgent that once the migration process of the TFF ( get approval from DGCD) is completed, that both parties put in place the monitoring mechanisms established in the Specific Agreement, particularly the JLCB, in order to approve the action Plan for 2008. Also important is the awarding of the Value for Money Audit to ensure that all procurement procedures are validated by an independent agency.

As Mapai district is located in a very remote area, its construction might face serious difficulties regarding the supply of materials, which might imply serious delays in its completion, therefore it is urgent to start the works and to monitor its progress closely.

## 8. PLANNING FOR THE UPCOMING YEAR

See Annex 3 and Annex 4

## 9. CONCLUSIONS

As the project it is just starting no major conclusions are to be reported. However it is to stress the fact that delays apparently resulting from the migration process have seriously affected the implementation process of the project. BTC completed the formulation process, including the approval of the TFF, in July 2006 and 1 year later the BTC office was requested to do the migration of the TFF into the 3<sup>rd</sup>. Management Contract Modalities, which was completed in July 2007 and since then BTC is awaiting its approval by DGCD Brussels. Considering that the main activities of this project are construction works, which contracts are to be awarded through competitive tenders it is to expect that the project will only start around mid of 2008, this meaning a total delay of about 2 years.

### 9.1 Monitoring Criteria and Activities

The general objective is still valid because the project has initiated work to facilitate the rehabilitation/construction process of health facilities in the affected areas, but the tools for monitoring its activities are yet to be put in place as above-mentioned.

As reported above achievement of the Specific Objective has been incomplete in terms of agreed KRAs. Progress on construction works as well as on capacity building has been very little as has the matter of the funds disbursed being used to cover outstanding bills form PRPE 1..

## 10. ANNEXES

10.1 Key Result Areas / Indicators

10.2 Results / Activities Summary

10.3 Planned activities for the year considered 2007

Key Result Areas	Indicators	Progress	Remarks
<b>Specific Objective: Demolished health infrastructure is reconstructed and improved for providing and securing basic health services in the affected areas and a new hospital in Gaza province provides access to health services in an area where the population has no access to referral services</b>			
<ul style="list-style-type: none"> <li>The Mapai District Hospital and a selected number of primary health centers and their supportive infrastructure are (re) constructed, equipped, staffed and operational</li> </ul>	<ul style="list-style-type: none"> <li>Number of Health facilities according to the MISAU standards in the involved districts</li> <li>Number of referred patients &amp; number of trained staff in Mapai Hospital</li> <li>Number of Patients and number of trained staff in the rehabilitated health centers</li> <li>Proportion of home versus health centres deliveries in the involved districts</li> </ul>	<ul style="list-style-type: none"> <li>No progress</li> </ul>	<ul style="list-style-type: none"> <li>Priority level A: Refer to TFF and to government priorities</li> </ul>
<ul style="list-style-type: none"> <li>The Jose Macamo Hospital is rehabilitated</li> </ul>	<ul style="list-style-type: none"> <li>Hospital responds to general hospital standards and capacity</li> </ul>	<ul style="list-style-type: none"> <li>Some progress ( Works were initiated through other donors fund)</li> </ul>	<ul style="list-style-type: none"> <li>Priority level A</li> </ul>
<ul style="list-style-type: none"> <li>The implementation capacity of the executing agency is consolidated</li> </ul>	<ul style="list-style-type: none"> <li>Proportion of timely and successfully completed contracts</li> <li></li> </ul>	<ul style="list-style-type: none"> <li>No progress to be reported</li> </ul>	<ul style="list-style-type: none"> <li>Priority level B</li> </ul>
<ul style="list-style-type: none"> <li>Continuation of PRPE 1</li> </ul>	<ul style="list-style-type: none"> <li>Health Facilities in Chibuto, Marien Ngouabi Machubo and Inhassoro according to MISAU Standards</li> <li>Health facilities equipped</li> </ul>	<ul style="list-style-type: none"> <li>Machubo completed</li> <li>Most of equipment purchased</li> </ul>	<ul style="list-style-type: none"> <li>Priority level B</li> </ul>
<ul style="list-style-type: none"> <li>General Means ( Coordination and Monitoring)</li> </ul>	<ul style="list-style-type: none"> <li>Number of JLCB Meetings</li> <li>Number of Value for Money Audits</li> </ul>	<ul style="list-style-type: none"> <li>No Progress</li> </ul>	<ul style="list-style-type: none"> <li>Priority level C</li> </ul>

## ANNEX 2. Results and activities summary

*Note: This table refers to activities included in the general planning annexed to the TFF, as no formal plans were approved in 2007.*

Planned activities 2007	Activities progress	Activities proposed 2008
<b>IR 1: Mapai and Helath Centres</b>		
1) Preparation phase	Some work regarding the review of the Plans	-----
2) Supervision	No progress	Completion Preparation phae/procurement
3) Construction	No progress	Construction
4) Equipping and Furnishing	Schedule for later	-----
<b>IR 2: Jose Macamo</b>		
1) Tender Contracts	finalised	-----
2) Rehabilitation	Started	To be continued
<b>IR 3: Capacity Building</b>		
1) Study Capacity Assessment	No progress	To start
2) Capacity Building	No progress	To start
<b>IR 4: Continuation PRPE 1</b>		
1) Completion of Chibuto Hospital	90% completed	to be finalized
2) Completion of Machubo	100% completed	
3) Completion of Marien Ngouabi	90% Completed	to be finalized
4) Completion of Inhassoro	90% completed	to be finalized
5) Purchase of equipment	90% completed	to be finalized
<b>IR 5: Coordination and Monitoring</b>		
1) First transfer of funds	Done	
2) Meeting of the Steering Committee	( 1 meeting to approve Migration of TFF)	
3) Reporting	No progress	
4) Value for Money Audit	No progress	

## ANNEX 3: Planned activities for the year 2008

The main outputs of the activities implemented during 2008 will be the continuation of ongoing activities of 2007, mainly aiming at the delivery of the following:

- Construction works at Jose Macamo Hospital in Maputo
- Completion of PRPE 1 works/ equipment
- Start of the Mapai Hospital
- Start Building Implementation capacity of executing agencies
- Start General means ( Value for Money Audits)