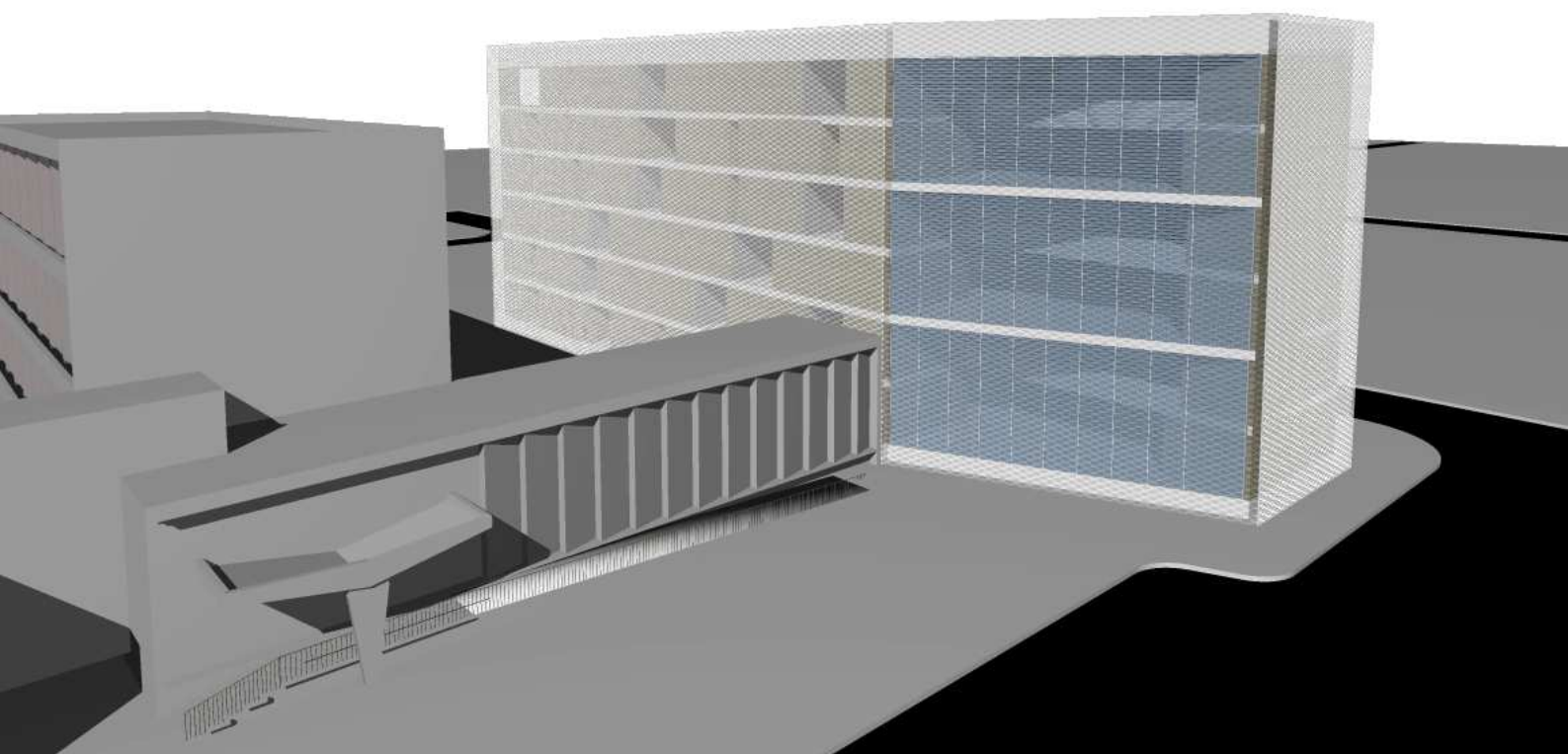




# MOZ0400512 PRPE II

Post Emergency Rehabilitation Project (Phase II)  
Health

2008



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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: |   | Direcção de Planificação e<br>Cooperação Ministério de Saúde |
| Agencies in charge of the execution                          | : | Department of Infra-<br>Structures (formerly GACOPI)         |
| Number of BTC international cooperation experts              | : | 0  |
| 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  |
| Project total budget   | : | 5.548.374- €   |

## 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 in 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 Second joint commission meeting took place in April 2008 in Brussels, where the second ICP for the period 2009/2012 was approved

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.

#### 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, that phase was closed in December 2006. The remaining works and the supply of most of the equipment were 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 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 activities started in May 2007, when BTC Brussels agreed to advance some funds on exceptional basis to cover the remaining works of PRPEI and the start of the works at Jose Macamo Hospital. In October 2007 the project received funds totaling 1.500.000 EUR. However the remaining works of PRPE 1, namely the construction works at the Chibuto Hospital, Marien Ngouabi Health Centre and at the Health Centre in Inhassoro, as well as the procurement of remaining equipment included in the phase 1, continued through out the year of 2007.

### 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, was only completed in 2008, though the project had completed its review in July 2007, BTC MOZ requested and advance of 2.000.000 EUR, which was exceptionally transferred by BTC Brussels in October 2007. Part of this funds (1.500.000 EUR) 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 and of the remaining health Centers in Inhambane province.

As the first JLCB has only taken place in August 08, no formal workplans had been approved before this, therefore the interventions were 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.

Plans presented during the last JLCB in August 2008 , included the completion of Jose Macamo Hospital in Maputo by December 2008 as well as all the remaining works of PRPE I. It was also expected to have completed the procurement process for the construction of the Mapai hospital and the other remaining health centers included in the project phase II

##### 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

Based on the planning of activities, the progress chart below shows the progress as of end of December 2008:

| <b>PROGRESS</b>  | <i>relative weight</i> | <i>dd. 31 Dec 08</i> |
|--|------------------------|----------------------|
| <b>IR 1: Mapai District Hospital + number of selected primary health Centers</b> |                        |                      |
| 1) Review of Plans/Procurement   |                        | 90%                  |
| 2) Construction Works  |                        |                      |
| 3) Equipment   |                        |                      |
| 4) Staff   |                        |                      |
| <b>IR 2: Co-Funding Jose Macamo Hospital</b>                                     |                        |                      |
| 1) Procurement   |                        | 100%                 |
| 2) Construction works  |                        | 90%                  |
| 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   |                        | 90%                  |
| 4) Completion Inhassoro  |                        | 100%                 |
| 5) Purchase Equipment  |                        | 100%                 |
| <b>IR 5: General 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,- €, as indicated in the table below:

|              |   |               |                  |
|--------------|---|---------------|------------------|
| 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> |

As stated before, BTC has disbursed during 2007 a total of 1.500.000 EUR. However the project only reported expenditures up to August 2008 totalling 848.360 EUR. Taking into consideration that expenditures are reported based on the disbursements made from the joint account at the central Bank into the national treasury funds, there are no expenditures to be reported under the reporting period (year 2008)

### 4.2 Analysis of the financial planning

As the first Steering Committee only took place in August 2008 the financial planning for was based on estimates made in accordance with previous experience and under the assumption that the procurement process for the Mapai Hospital and for the other 4 Health Centers would be completed around October and that works would start still during 2008. It was also assumed that the works at Jose Macamo Hospital and at the remaining works from PRPE I would also be completed by December 2008. Therefore it was expected to disburse during 2008 a total amount of 2.000.000 EUR. Due to delays resulting from local bureaucracy and other internal reasons none of the above-mentioned works have been completed in due, this resulting in a very low execution rate. As no funds have been disbursed during 2008, it is to believe that project activities have been covered by the existing balance of about 650.000 EUR as reported in August 2008 or have been pre-financed by the partner using other sources of funding.

## 5. MONITORING OF THE INDICATORS

### 5.1 General and Specific objective

This project is implemented as 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 that: - 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 the reconstruction of a selected number of primary health centers and their supportive infrastructure); - the Rehabilitation of Jose Macamo Hospital; - the Consolidation of the implementation capacity of the executing agency and the continuation of the PRPE 1 activities.

The TFF also includes some funds for the general means, which have been partially used to cover the formulation activities of the project



## 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 of Finance will commission the audits. The costs of the audits will be eligible for financing with the grant

It was expected that MISAU would review the Terms of Reference for the Value for Money audits so that the tender process for the selection of the service provider could be done still in 2008. This however has not yet happen and therefore the present works have not yet been audited

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. Ta 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 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 and in order to ensure the financial sustainability of the program, maintenance of infrastructure will be taken into account in the future /medium term expenditure framework of the Ministry of Health

This program also includes funds for capacity building of the executing agencies, which will allow training and HR development of involved personnel.

## 7. MEASURES AND RECOMMENDATIONS

### 7.1 Overview of the assessment criteria

As above mentioned, the Steering Committee only met once in August 2008 and as the contract for the Value for Money Audits have not yet been awarded the foreseen the 6 months progress reports have not yet been presented

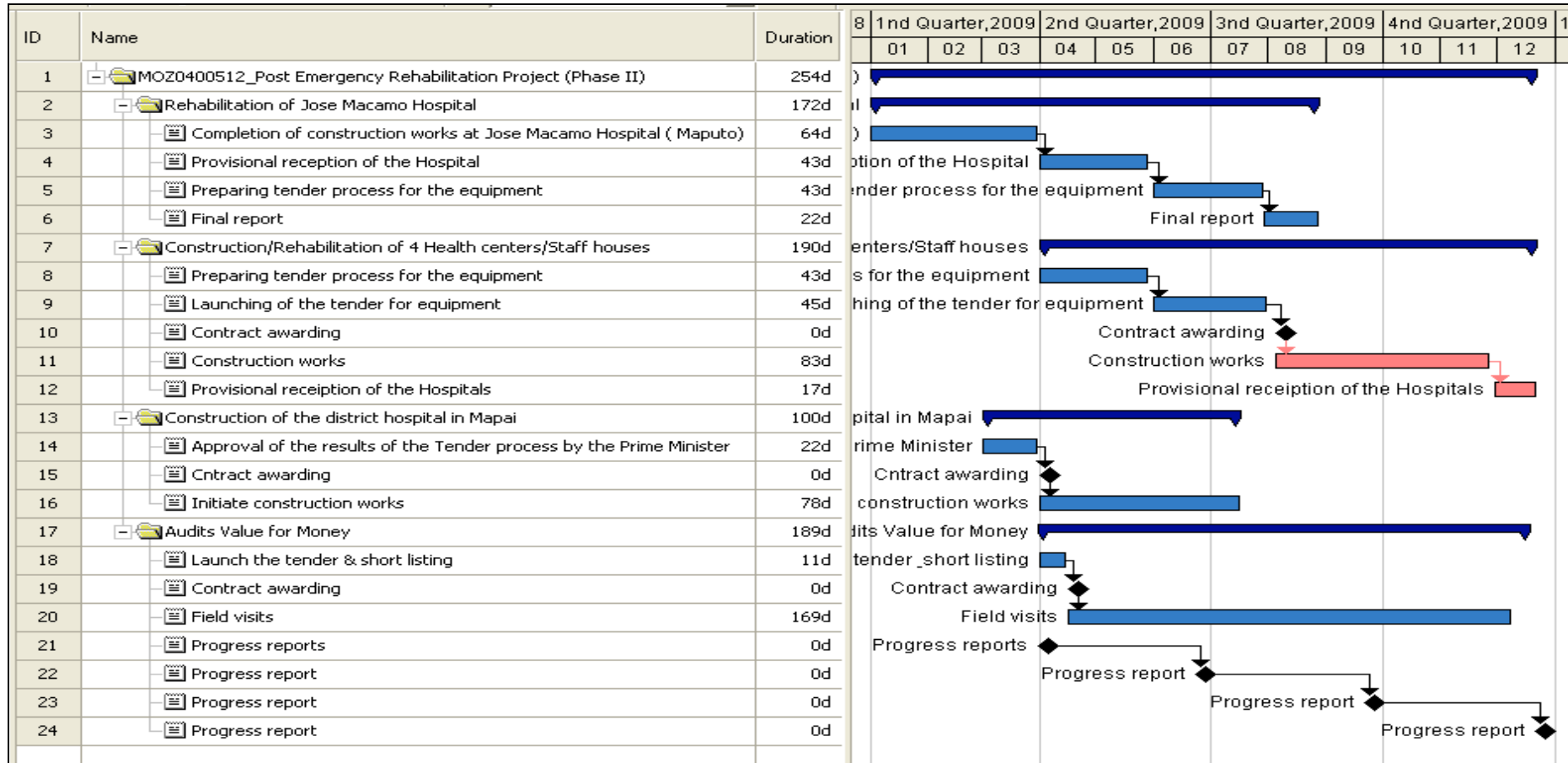
### 7.2 Recommendations

During the last JLCB meeting BTC urged the partner to finalize the revision of the ToRs for the Value for Money Audits urgently. Nevertheless, the ToRs have not yet been approved and therefore the Audit could not be commissioned.

BTC also recommended the partner to follow up with the Ministry of Finance (IGEF) the issue on the internal financial Audits and to ensure that reports are presented, particularly in regard to the first phase of the project, which has been closed in December 2006.

## 8. PLANNING FOR THE UPCOMING YEAR (YEAR N+1)

### 8.1 Activity planning year N+1



## 8.2 Financial planning year N+1

| Financial Planning of MOZ0400512   |        |              |                |  |                |            |              |            |              |                |                |                     |              |
|--|--------|--------------|----------------|--|----------------|------------|--------------|------------|--------------|----------------|----------------|---------------------|--------------|
| Fin Plan Version: <b>2009Q1</b><br>Budget Version: <b>D01</b><br>Donor: <b>DGD</b><br>Currency: <b>EUR</b> |        |              |                | Prepared on: <b>20/2/2009</b><br>Prepared by: <b>ravifin</b><br>Approved on: <b>20/2/2009</b><br>Approved by: <b>P_DIR</b> |                |            |              |            |              |                |                |                     |              |
| Amounts in 1000 EUR  |        |              |                |  |                |            |              |            |              |                |                |                     |              |
|  | Status | Fin Mode     | Budget         | TtY-1  | Balance        | 2009       |              |            |              | Total          | 2010 to end    | Est. end Proj. Bal. | Est. % exec. |
|  |        |              |                |  |                | Q1         | Q2           | Q3         | Q4           |                |                |                     |              |
| <b>A GRANT</b>   |        |              | 5.539,0        | 1.999,5  | 3.539,5        | 0,0        | 500,0        | 0,0        | 500,0        | 1.000,0        | 2.539,5        | 0,0                 | 100%         |
| 01 Grant   |        |              | 5.539,0        | 1.999,5  | 3.539,5        | 0,0        | 500,0        | 0,0        | 500,0        | 1.000,0        | 2.539,5        | 0,0                 | 100%         |
| 01 Grant   |        | COGEST       | 5.539,0        | 1.999,5  | 3.539,5        | 0,0        | 500,0        | 0,0        | 500,0        | 1.000,0        | 2.539,5        | 0,0                 | 100%         |
| <b>Z GENERAL MEANS</b>   |        |              | 24,4           | -3,8   | 28,2           | 0,0        | 1,5          | 0,0        | 1,5          | 3,0            | 25,2           | 0,0                 | 100%         |
| 01 Backstopping  |        |              | 15,0           | 0,0  | 15,0           | 0,0        | 1,5          | 0,0        | 1,5          | 3,0            | 12,0           | 0,0                 | 100%         |
| 01 Backstopping BTC-HQ   |        | REGIE        | 15,0           | 0,0  | 15,0           | 0,0        | 1,5          | 0,0        | 1,5          | 3,0            | 12,0           | 0,0                 | 100%         |
| 02 Formulation   |        |              | 9,4            | 0,0  | 9,4            | 0,0        | 0,0          | 0,0        | 0,0          | 0,0            | 9,4            | 0,0                 | 100%         |
| 01 Solde formulation   |        | REGIE        | 9,4            | 0,0  | 9,4            | 0,0        | 0,0          | 0,0        | 0,0          | 0,0            | 9,4            | 0,0                 | 100%         |
| 03 Bank and Administrative   |        |              | 0,0            | -3,8   | 3,8            | 0,0        | 0,0          | 0,0        | 0,0          | 0,0            | 3,8            | 0,0                 | 0%           |
| 01 Bank Charges & Interest   |        | REGIE        | 0,0            | 0,0  | 0,0            | 0,0        | 0,0          | 0,0        | 0,0          | 0,0            | 0,0            | 0,0                 | 0%           |
| 02 Bank Charges & Interest   |        | COGEST       | 0,0            | -3,8   | 3,8            | 0,0        | 0,0          | 0,0        | 0,0          | 0,0            | 3,8            | 0,0                 | 0%           |
|  |        | REGIE        | 24,4           | 0,0  | 24,4           | 0,0        | 1,5          | 0,0        | 1,5          | 3,0            | 21,4           | 0,0                 | 100%         |
|  |        | COGEST       | 5.539,0        | 1.995,7  | 3.543,3        | 0,0        | 500,0        | 0,0        | 500,0        | 1.000,0        | 2.543,3        | 0,0                 | 100%         |
|  |        | <b>TOTAL</b> | <b>5.563,4</b> | <b>1.995,7</b>   | <b>3.567,7</b> | <b>0,0</b> | <b>501,5</b> | <b>0,0</b> | <b>501,5</b> | <b>1.003,0</b> | <b>2.564,7</b> | <b>0,0</b>          | <b>100%</b>  |

## 9. CONCLUSIONS

### 9.1 Activities and Finance

As the project it has just started in 2007, no major conclusions are to be reported. However it is to stress the fact that delays apparently resulting from the long approving / Migration process and to the lack of capacity of the partner to review the Terms of Reference for Value for Money Audits, the construction works have already started and payment have been made without proper follow up and reporting

As this is "on Budget" project the follow up of financial transactions has to rely on the local mechanisms and procedures (SISTAFE), making it difficult for BTC MOZ to trace and check every single payment. Therefore it has been agreed that disbursements made from the joint Euro account at the central Bank will be reported as actual expenditures of the project

### 9.2 Advice of the JLCB on the recommendations

The last JLCB took place in in August 2008 and made following recommendations:

To finalize the revision of the ToRs for the Value for Money Audit; to launch the tender and recruit a service provider as soon as possible

To finalize the final report of the phase of project (PRPE I) and ensure a final audit of that phase by internal Audit Department of the Ministry of Finance (IGF)

Make special efforts to complete Jose Macamo Hospital towards the end of the year (December 2008) and to initiate the Mapai Hospital

