



## PRPE II - HEALTH ANNUAL REPORT

MOZ0400512

DECEMBER 2009

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## 1 PROJECT SHEET

### BASIC INFORMATION ON 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	:	<b>1 Jan 2007 – 31 Dec 2009</b>

## 2 BRIEF FACTUAL OVERVIEW

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 second ICP for the period 2008/2012 was approved in Brussels during the second joint commission meeting in October 2008.

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), which is based on six priorities, including education, health, agriculture and rural development, basic infrastructure, good governance and macroeconomic and financial management.

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 Existing Intervention “Programa Pós- Emergencia de Reabilitação e Reconstrução de Infra-Estruturas do Sector de Saude (PRPE) –Phase 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, 2007. It will expire on the 04<sup>th</sup> of November 2010. The initial total budget was 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 intervention started in 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. This amount was also to cover 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 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 Mapai.

### 3 OVERVIEW OF ACTIVITY PLANNING:

#### 3.1 Activity overview

<b><i>IR 1: Mapai District Hospital + number of selected primary health Centres</i></b>	<b>Planned Time Frame</b>	<b>Actual Time Frame</b>	<b>Comments</b>
Review of Plans /approval of tender Process	Feb-March 2009	Activity not achieved	Most of the constructions works, except for the Mapai Hospital, have been completed well ahead the schedule but a joint monitoring mission found out that the works have been done without independent supervision, this meaning without any quality control.  Contract for the Audit “Value for Money” also not yet awarded  BTC “interrupted” in November 2009 the transfer of Funds to the project due to non compliance with agreed monitoring and supervision mechanisms, namely the independent supervision of works and Value for Money Audit
Contract awarding / Construction Works	Feb-April 2009	Activity not achieved	
Mobilization/ Start of works	April 2009	Partially achieved	
Construction and Supervision	April-Dec 2009	Partially achieved	

<b><i>IR 2: Co-Funding Jose Macamo Hospital</i></b>	<b>Planned Time Frame</b>	<b>Actual Time Frame</b>	<b>Comments</b>
Continuation Rehabilitation Works	Jan-March 2009	Not Achieved	Not achieved as per plan. Additional works to be done
Supervision of the works	Jan-March 2009	Not achieved	No independent supervision Internal supervision done by the Department of Infrastructure from MISAU . No written reports available
Final inspection for hand over	Apr 2009	Sept 2009	Final inspection was done but no official hand over as some quality problems were identified

Official hand over	Apr 2009	Not Achieved	Some corrections and identified additional to be done
Final Evaluation/ Report	June 2009	Not Achieved	
Tender Documents for the procurement of equipment	April-May 2009	Not Achieved	
Tender launching	June-July 2009	Not Achieved	

<b><i>IR 3: Upgrade Implementation Capacity of executing agencies</i></b>	<b>Planned Time Frame</b>	<b>Actual Time Frame</b>	<b>Comments</b>
Assessment/ Baseline	None	None	This Result Area has never been considered in the plans elaborated y the partner. BTC has urged the partner in several occasions and only during the last JLCB held in October 2009 the partner has committed to discuss about internally and come with their final decision whether to keep at project level or include it in their general capacity building programs
Training/equip	None	None	Depends on the above-mentioned decision to be taken by the partner

<b><i>IR 4: Continuation PRPE 1</i></b>	<b>Planned Time Frame</b>	<b>Actual Time Frame</b>	<b>Comments</b>
Completion of construction works	Jan- March 2009	Achieved	

Procurement of Equipment	Jan-March 2009	Activity	
<b>Planned Time</b>			
<b>IR 5: General Means</b>	<b>Planned Time Frame</b>	<b>Actual Time Frame</b>	<b>Comments</b>
Value for Money Audits	March - Nov 2009	Contract awarded in December 2009 awaiting approval from Tribunal de Contas	Delays reported in Progress and JLCB reports No additional Funds will be released before the Audits of 2007/ 2009 process



## 3.2 Analysis of activity planning

No progress reports were presented on quarterly basis as stated in the SA, therefore no new plans have been presented for each quarter. Funds have been released on exceptional basis in order to allow project to meet commitments.

As stated before construction works have been progressed well and most of the construction works have been completed ahead schedule but as no independent supervision has been hired there has not been ensured the necessary quality control

Progress/ Financial reports have always been delayed and only presented during JLCB meetings and not properly elaborated, lacking accurate financial data and proper indicators

### ***IR 1: Mapai District Hospital + number of selected primary health Centers***

The focus of this result is of course the construction of the Rural Hospital in Mapai District in Gaza Province. Construction works were expected to start around March 2009 but in fact the mobilization only started in September 2009.

Trough a joint monitoring visit, BTC found out that construction works at the other project sites (in Macovane, Nova Mambone – Govuro, Paia-Peia and Bandua) were well advanced schedule, but no independent supervision was in place, this resulting in some quality problems in the construction of those infrastructures.

At the JLCB, held in April and again in October 2008, BTC has urged the partner to speed up the process of recruiting a consultancy company to undertake the foreseen Audits “Value for Money” and to the need of presenting timely progress and financial reports.

### ***IR 2: Co-Funding Jose Macamo Hospital***

This result area is referring the co-funding of the rehabilitation of the second biggest hospital in Maputo City, which is offering referral services to the peripheral areas of the capital, which initially were to be funded by World Bank. Works started end of 2007 and although it was expected to be completed initially in December 2008.

Even though no official information has been given by the partner, BTC has found out that the works have been funded by the government through the program named PROSAUDE. The initial planned works have been completed in March 2009 but due to some defects detected during the final inspection and the need of additional works (like the rehabilitation of the Elevators) the official hand over has been postponed

### ***IR 3: Upgrade Implementation Capacity of executing agencies***

This Result has never been considered in the partners plans.

During the last JLCB held in October the partner has committed to discuss internally about this result and to decide prior next JLCB weather they will keep it under this project or it should be merged into the general capacity building plan

***IR 4: Continuation PRPE 1***

This result has been addressed and most of the construction works have been completed except for Marien N'guoabi, which is due to be completed by a local contractor as the initial contractor has given up due to its technical capacity

***IR 5: General Means***

This result was to cover the formulation process and the Value for Money Audits, which is due to start in January 2010

**Logical Framework:**

The logical framework may have to be reviewed by the project team after the next JLCB in March 2010 depending on the decision regarding result area 3- Upgrade Implementation capacity of the executing agencies.

## 4 FINANCIAL OVERVIEW

### 4.1 Overview of expenditure versus financial planning

2009 planning vs. actual compared to Q 1 - 2009										
Financial modality	<i>Q1- Planning</i>	<i>Q1 - Actual</i>	<i>Q2- Planning</i>	<i>Q2 - Actual</i>	<i>Q3 - Planning</i>	<i>Q3 - Actual</i>	<i>Q4 - Planning</i>	<i>Q4 - Actual</i>	<i>Total planning for the year</i>	<i>Total expenses for the year</i>
<b>REGIE</b>	0	0	1.500	-3.786,72	0	0	1.500	0	3.000	-3.786,72
<b>NATIONAL EXECUTION</b>	0	-0,65	500.000		0	200.038,72	500.000	500.030,25	1.000.000	700.079,24

2009 planning vs. actual compared to Q 4 - 2008										
Financial modality	<i>Q1- Planning</i>	<i>Q1 - Actual</i>	<i>Q2- \Planning</i>	<i>Q2 - Actual</i>	<i>Q3 - Planning</i>	<i>Q3 - Actual</i>	<i>Q4 - Planning</i>	<i>Q4 - Actual</i>	<i>Total planning for the year</i>	<i>Total expenses for the year</i>
<b>REGIE</b>	2.000	0	2.000	-3.786,72	2.000	0	2.000	0	8.000	-3.786,72
<b>NATIONAL EXECUTION</b>	500.000	-0,65				200.038,72	500.000	500.030,25	1.000.000	700.079,24

## 4.2 Analysis of financial planning

The planning for Q1-2009 was based on expected results but it was not achieved due to the partners deficiency in planning and lack of the ability to properly report. Delays in ensuring independent supervision and the Value for Money Audits has forced BTC to “unilaterally” propose the interruption of disbursements of funds.

### **Differences between Q4-2008 and Q1-2009 planning**

The planning of Q4-2008 was for a total of 0€ based on the fact that the Mapai Hospital would start in March 2009. At the JLCB, held in April 2009, it was agreed to speed up the start of Mapai works, which is the main Result area of this project. This would have allowed the payment of the first advance and part of the construction works still in 2009. That is also the main reason why there is no FP for Q1-2009.

## 5 MONITORING OF THE INDICATORS

### 5.1 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

### 5.2 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, and 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 and the Value for Money Audits

## 5.3 Indicator evolution (chart)

Result Area	Indicators	Achievement	Comments
<ul style="list-style-type: none"> <li>The Mapai District Hospital and a selected number of primary health centres 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 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 centres</li> <li>Proportion of home versus health centres deliveries in the involved districts</li> </ul>	<p>Most of the facilities have been (re) constructed except for Mapai. Procurement process of the equipment is lead by MISAU and as part of its general procurement plans</p>	<p>Facilities constructed without independent supervision, some quality problems noted</p> <p>Staffing and equipment handled by the Ministry of Health as part of its general plans. Very difficult to assess the progress through the project reports</p>
<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>	<p>Initially planned works completed. Some quality problems noted and additional works identified to be done</p>	<p>As no independent supervision was hired it is difficult to assess if works meet the standards</p>
<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>	<p>No Achievement</p>	<p>Never included in the partners plans. BTC urged partner to take a decision whether to keep this result on this project or to merge it into the project for HR development which is due to be formulated</p>
<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>	<p>Most of the facilities completed except for the one (Marien N'gouabi) in Xai-Xai</p>	<p>The partner have been urged to better report on this result area</p>
<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>	<p>Formulation Done Value for Money Audits not yet undertaken</p>	<p>No more funds should be advanced prior to the start of the Value for Money audits</p>

## 6 ASSESSMENT OF MONITORING CRITERIA

### 6.1 Efficiency

The project efficiency is supposed 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 done. The project has also not presented the quarterly progress reports as set forth in the SA, making it therefore difficult to assess the project efficiency at this point

### 6.2 Effectiveness

The project has been effective in completing the remaining works from PRPE 1, particularly in regard to the construction works. It has also been effective in the co-funding of the works at Jose Macamo Hospital where construction works have also been completed, as well as in the construction of the 4 health facilities included in the PRPE II. However, it is difficult to assess the quality of those works as no independent supervision was ensured. Also the Value for Money audits foreseen to start at the beginning of the project have not yet taken place and therefore have not yet validated the quality of the works as well as the procurement process in order to assess if it has been done according to government procedures and regulations

### 6.3 Sustainability

In order to ensure the organizational sustainability of the program, the Mozambican partner has accepted the commitment of implementing its existing human resources development plan and assures sufficient and qualified human resources to work in the rehabilitated health infrastructures. On the other hand maintenance of infrastructure should be taken into account in the future /medium term expenditure framework

## 7 MEASURES AND RECOMMENDATIONS

### 7.1 Overview of the assessment criteria

Despite bottlenecks and challenges experienced during 2009 the project has achieved, through the dedicated and committed team, a very significant progress in the construction works. The projects beneficiaries in RA 01 and 02 have expressed satisfaction in have their infrastructure rehabilitated.

### 7.2 Recommendations

- As discussed and agreed in the last JLCB it is of outmost importance that the contract for the independent supervision of the construction works of the Mapai hospital be urgently awarded in order to avoid that works progress without needed quality control

It is also important that the Audit Value for Money takes place before the official hand over of the already completed health centres and that independent auditor's follow up the construction of the Hospital in Mapai.

Also crucial is the presentation of the quarterly progress reports by the partner, which will improve the financial planning of the project



## 8 PLANNING FOR THE UPCOMING YEAR (2010)

### 8.1 Activity planning year 2010

Activities	Q1	Q2	Q3	Q4
<b>IR 1: Mapai District Hospital + number of selected primary health Centres</b>				
Finalize the Tender for Supervision of construction works	■			
Follow up on the construction works		■	■	■
<b>IR 2: Co-Funding Jose Macamo Hospital</b>				
Finalize corrections and additional works	■			
Official hand over		■		
<b>IR 3: Upgrade Implementation Capacity of executing agencies</b>				
Discuss/ decide if this activity should be merged into general plans of capacity building	■			
If it remains at project level, prepare a workplan				
<b>IR 4: Continuation PRPE 1</b>				
Finalize construction works at Marien Ngouabi	■			
If it remains at project level, prepare a workplan				
<b>IR 5: General Means</b>				
Award contract for Value for Money Audits	■			
Assess / validate the works and procurement done since the start of the project				
Follow up the remaining works/tenders		■	■	■
Review the Six month Reports (JLCB)			■	■

### 8.2 Financial planning year 2010

<i>Planning for 2010</i>					
<i>Financial modality</i>	<i>Q1-Planning</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>Total planning for the year</i>
<i>Regie</i>		7.000		7.000	14.000
<i>National Execution</i>	750.000		750.000		1.500.000

<i>The available balance is as follows:</i>		
<b>Financial Modality</b>	<b>Description</b>	<b>Amount</b>
Regie		
Cogestion		
Formulation		

<b>Totals</b>	
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## 9 CONCLUSIONS

### 9.1 Activities and Finance

#### **Result Area 1**

This includes the construction of Mapai Hospital, which is the main result of the project (financially and in terms of the size of the infrastructure) therefore it is crucial that proper follow up is ensured in order to improve the financial planning of the project and increase the project efficiency.

#### **Result Area 2**

There is a very good progress in terms of construction works. However some quality problems have been identified, therefore the contractor should be urged to finalize them urgently in order to allow its official hand to local authorities and proceed with final payments (payment of any outstanding bills)

#### **Result area 3**

A decision should be urgently taken in order to be able to plan the use of those funds or transfer them into the new project for HR development, which is due to be formulated

#### **Result area 4**

It is important to finalize all outstanding works and distribution of te equipment in order to plan the settlement of any outstanding payment

Under the **General Means** are included the funds for the payment of the Value for Money Audits, which contract has been awarded in December 2009 for a total amount of about 50.000 US\$, the uncommitted balance should be used to cover the costs for the monitoring and evaluation of the project.

### 9.2 Monitoring criteria

#### 9.2.1 Efficiency

As no Audits and no independent supervision have been ensured in 2009 it is difficult to assess if all planned activities for 2009 were implemented within the allocated time and budget. Therefore it is crucial that both contracts be awarded during the first quarter of 2010 in order to improve the financial planning of the project and ensure proper monitoring of the implementation of the project activities, particularly the construction of Mapai Hospital

#### 9.2.2 Effectiveness

All lessons learned will serve as a point of departure for the next year. It is expected that the continuation of the activities will run smoother in the next year since the beneficiaries have already been urged to comply with the terms and conditions of the SA and the project TFF, particularly in regard to the monitoring and reporting mechanisms

### 9.2.3 Sustainability

This year the project team should also take decisions regarding the continuation of Result area 3, regarding the capacity building of the executing agencies and on the other hand BTC will be formulating a new project for HR development, which should take also into consideration of the provision of staff for the rehabilitated/ constructed health facilities under PRPE II project. The approach could be revised to address all the challenges experienced to date and ensure a much better buy-in the project than in the initial phase.

- Alignment of programme towards National HR Plan.
- Continuation of the programme by National and Provincial Departments, particularly in regard to the maintenance of the facilities.

## 9.3 Advice of the JLCB on the recommendations

### 9.3.1 Recommendations on activity planning

There is a need to speed up the construction works at Mapai Hospital in order to avoid that works get stuck due to the raining season, which is to stop in March and restart in September 2010.

Independent supervision should be hired in order to ensure quality control

Value for Money Audits should be urgently undertaken

### 9.3.2 Recommendations on financial planning

Value for Money audits should improve the partner's ability to report on progress and in the quarterly planning, thus ensuring accurate planning of activities and consequently the financial planning

### 9.3.3 Recommendations on Logical Framework

It was recommended that the revisit the logical framework and make proposals to JLCB whether the result area 3 should remain as it is or should be changed. And point of concern or deviation will have to be addressed in the next JLCB.

### 9.3.4 Other recommendations

It is recommended that the time between the closing of the current phase and phase II is kept to a minimum.

## 10 ANNEXES

### 10.1 Measuring indicators

To engage independent construction supervisors in order to achieve quality work that meets satisfactory standards.  
Improvement on progress reporting by the Ministry of Health to ensure attainment of set indicators.

### 10.2 Checklist efficiency

To institute Audits as stipulated in the TFF.  
To engage independent constructions supervisors so as to guarantee quality work.  
To stick to the implementation of activities within the allocated time and budget.  
To improve the financial planning of the project and ensure proper monitoring of the implementation of the project activities, particularly the construction of Mapai Hospital.

### 10.3 Checklist effectiveness

To comply with recommendations raised by scheduled audits in order to attain value for money.  
To comply with recommendations of construction supervisors in order to attain quality work.

### 10.4 Checklist sustainability

The beneficiary ministry should take this opportunity to build its capacity through the utilization of the project.  
The construction programme is aligned towards the National Plan.  
Continuation of the programme by National and Provincial Departments, particularly in regard to the maintenance of the facilities.

### 10.5 Input in PIT

JLCB minutes 06/03/2009  
Annual follow up report sent to donors

### 10.6 Logical framework year

No revision was done to the Logical Framework of the project.

### 10.7 Overview public contracts

Public procurement is done by the partner as the project is in National Execution.