



CTB

**AGENCE BELGE
DE DÉVELOPPEMENT**

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PROJECT: MOZ0400512 – PRPE II-
HEALTH

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1 Project form

Funded by	Directorate General for Development Cooperation, Belgium
Executing agencies	- Ministry of Health – MISAU- Direccao Nacional de Planificacao e Cooperacao
With participation of	National Treasury?
Project location	MISAU- Direccao Nacional de Planificacao e Cooperacao - Department of Infrastructure (DPI)
Project start	Effective 1 May 2007
Duration	5 years
Budget	5.548.374 €
Sector(s)	Health
Project CMO Code	NN
Project Navision Code	MOZ0400512
Project TFF	
Project description of results	<i>IR 1: Mapai District Hospital + number of selected primary health Centres in Gaza, Inhambane and Sofala provinces constructed/rehabilitated</i>
	<i>IR 2: Co-Funding the Rehabilitation of Jose Macamo Hospital in Maputo City</i>
	<i>IR 3: Upgrade Implementation Capacity of executing agencies</i>
	<i>IR 4: Continuation PRPE 1- conclusion of works started in phase 1 of the project</i>
	<i>IR 5: General Means – Formulation, Value for Money Audits, Evaluation</i>
Project objectives	specific objectives are: - demolished health infrastructure and 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 referral health services in the northern region of the Province
JLCB Chairman	National Director of Treasury
Co- Chair	BTC Representative

2 Summary

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 04th of May, 2007. It will expire on the 04th 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.

2.1 Overview of the intervention

Intervention logic	Efficiency	Effectiveness	Sustainability
Specific objective - demolished health infrastructure and 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 referral health services in the northern region of the Province			
Result 1: The Mapai District Hospital and a selected number of primary health centres and their supportive infrastructure are (re) constructed, equipped, staffed and operational	B	B	C
Result 2: The Jose Macamo Hospital is rehabilitated	C	C	C
Result 3: The implementation capacity of the executing agency is consolidated	C	C	C
Result 4: Continuation of PRPE 1	A	A	B
Result 5: General Means (Coordination and Monitoring)	B	B	B

Budget	Expenditure per year (TtY)	Total expenditure year N (31/12/2010)	Balance of the budget	Execution rate
5.548.374,00	3 721 353,00	1 029 384,00	1 827 021,00	67.07%

2.2 Key points

The focus of this intervention 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.

Through a joint monitoring visit, BTC found out that construction works at the other project sites (in Macovane, Nova Mambone – Govuro, Peia-Peia and Bandua) were well advanced then scheduled, 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 2009, 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 ensure the supervision of the construction works, particularly in Mapai. BTC also urged the partner to timely present progress and financial reports.

Due to the lack of “Value for Money Audits” and of the supervision of construction works BTC decided to stop any further disbursements of funds as from 2009 up to December 2010 when 1.500.000 EUR were disbursed, this only after the JLCB had discussed and approved the report of the “Value for Money Audits” and the partner had presented a copy of the contract

for the supervision of construction works in Mapai

Following several complains from BTC regarding the quality of works in Mapai and a visit from the President Gebuza to the site, works were stopped as from July 2009 and a Multisectoral mission from the government visited the project site and have made several recommendations and urged the Ministry of health to only resume the works after the correction of all reported quality problems

The Value for Money Audit also pointed out significant quality problems at Jose Macamo Hospital in Maputo and the lack of capacity from MISAU to undertake satisfactory supervision of the construction works

Due to above-mentioned factors contractors did not get paid on time and therefore they decided to also stop the works particularly in Macovane, where the conclusion about 50% of the works are still pending the payment of outstanding bills

2.3 Lessons learned and recommendations

- That responsibilities of each stakeholder should be clearly stated/defined in the TFF and in the Specific Agreement
- That the partner is in full control of the decision making process making it therefore difficult for BTC to speed up processes and activities
- That it is difficult for BTC to do realistic financial planning when the partner is not providing accurate and timely plans
- That funds should only be disbursed after signature of agreements and compliance with all agreed monitoring and supervising mechanisms

3 Evolution of the context

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. Therefore it has been very difficult for BTC to control the decision making process and directly speed up the implementation of project activities, particularly in regard to the hiring of service providers to undertake the Value for Money Audits and the supervision of construction works, this having resulted in significant delays which have affected the project severely and have even caused the interruption of disbursements and of the works for about one year.

The main results of this project includes the “Consolidation of the implementation capacity of the executing agencies”; but due to “reservations “from the partner no activities have been planned and therefore its capacity remained very low and very centralized in Maputo. The Provincial directorates in charge of the areas of intervention have played almost no role in the planning and supervision of works thus resulting in some late identification of quality problems as well as in delays or lack of consensus about selected of project sites.

As BTC did not have room to speed up the implementation of upon agreed monitoring and supervision mechanisms, it has “unilaterally “decided to stop the disbursements of funds to the project this resulting in delays in the payment to the contractors, who of course could not proceed with construction works due to financial constraints. Nevertheless, that decision have however “forced” the partner to comply with established agreements and have allowed an independent reported which in fact have confirmed BCT concerns regarding the quality of works particularly in Mapai and at Jose Macamo Hospital

4 Analysis of the intervention

4.1 Institutional anchoring and execution modalities

The Fund is anchored to the Ministry of Health (MISAU) through its National Directorate for Planning and Cooperation (DPC) and executed through its Department of Infrastructure. However, the Chairman of the JLCB is the National Director of the Treasury, through which the funds are channelled through Government Budget (On the Budget Project).

The responsibilities of DPC within MISAU will include:

- Oversight on the implementation and adherence to the policy framework and procedural guidelines for the management of the grant into Mozambique, while the Department for Infrastructure (former GACOPI) is responsible for the day to day management of the project, which includes the tendering process, the supervision of all construction works, processing payments and keeping records and ledgers of all transactions the grant;

Institutional anchoring:

Current situation:

- The Project is currently anchored at MISAU - DPC.
- The Government of Mozambique has designated National Treasury as the custodian of the grant and therefore its National Director is the Chairman of the JLCB.

Strengths:

- Alignment with Paris declaration
- Use of National Mechanisms
- Avoids duplication.
- Ensures Ownership
- Allows better coordination with other donors.

Weaknesses:

- The current staffing/technical levels of the partner do not allow proper planning monitoring and supervision of the activities
- The Chairman (National Director of the Treasury) not directly involved in the project implementation
- Unclear responsibilities for implementing partner agencies/departments

Execution modalities:

Current situation:

- The JLCB is responsible for the implementation of the project
- The JLCB comprises of the National Director of the Treasury and the BTC RR as the Co Chairman (representing the interests of Belgium), the National Director of DPC at MISAU, a representative of the Ministry of Foreign Affairs (representing the interests of the Mozambican government) and the Department of Infrastructure as the secretariat of the JLCB but in fact the Department of Infrastructure is in charge of the implementation of the project

Strengths:

- The composition of the JLCB comprises of a wide range of representatives from different government departments and at top level
- The joint bank account at the central Bank is managed on a dual signature (National director of the Treasury and BTC RR), which is in accordance with the Specific Agreement.

Weaknesses:

- The JLCB Chairman not directly involved in health services (very limited sensibility to MISAU problems and difficulties) and very busy with other priorities and therefore very rarely available to attend meetings
- Many JLCB Members make it difficult to schedule/plan meetings and coordinate activities.
- Department of Infrastructure has very limited capacity to work as JLCB Secretariat and therefore unable to deliver proper reporting

4.2 Specific objective

- To have the Government of Mozambique enabled to reconstruct demolished infrastructure for providing basic health services and in particular:
 - demolished health infrastructure 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 referral health services in the northern region of the Province

4.2.1 Indicators

Specific objective: - demolished health infrastructure and 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 referral health services in the northern region of the Province				Progress: 3 Health Centres in the provinces of Sofala and Inhambane completed and being used as well as Jose Macamo Hospital in Maputo	
Indicators	E	G	Baseline	Progress year N	Comments

<ul style="list-style-type: none"> • Number of Health facilities according the MISAU standards in the involved districts • Number of referred patients & number of trained staff in Mapai Hospital • Number of Patients and number of trained staff in the rehabilitated health centres 			No Baseline was done	3 Health Centres completed and provisional hand over	Some quality problems in the works reported by BTC several times and confirmed by the Value for Money Audits. Minor Problems which can be corrected
Proportion of home versus health centres deliveries in the involved districts			No Baseline	Works completed but Severe Quality Problems reported by Value for Money Audits	Under dimensioning of sewage systems and poor quality of materials used resulting in the limitation of the use of certain services/ areas of the Hospital
Hospital responds to general hospital standards and capacity			No Baseline	No Progress	
<ul style="list-style-type: none"> • Proportion of timely and successfully completed contracts 			No Baseline		Despite several requests from BTC partner never planned any activities under this result and lately proposed to consider the transfer of this activities into the MISAU General HR strengthening project/plan
<ul style="list-style-type: none"> • Health Facilities in Chibuto, Marien Ngouabi ,Machubo and Inhassoro according to MISAU Standards 				Mostly completed before year N	Some minor works still to be completed at Marien Ngouabi Centre
Health facilities equipped					
<ul style="list-style-type: none"> • Number of JLCB Meetings • Number of Value for Money Audits 				2 JLCB meetings held Only 1 Audit undertaken	JLCB always delayed Audit only done in 2010

4.2.2 Analysis of progress made

The general objective of the project is to contribute to restoring and improving the access of basic health services of the population of Mozambique, while specific objectives are:

- demolished health infrastructure 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 referral health services in the northern region of the Province

Considering that works at Jose Macamo hospital and in 3 of the 4 planned health centres in Inhambane and Sofala have been completed and are despite reported quality problems, being used to offer health services to local communities, the general conclusion is that this project has partially met its specific objectives. It is also to note that all health facilities constructed or

rehabilitated under this project are offering specialized services to women, including maternity services, which are delivered also by female nurses, who have been trained, one can assume that the project is also contributing to the improving living conditions and empowerment of women in the country.

Relation between **RESULT 1** and likely achievement of the specific objective:

- Delays in finalizing the procurement process and awarding contracts due to internal procedures of the Partner resulted in delays on the Mobilization and start of the works. Consequently the result 1 has not yet been fully achieved and no referral services are offered yet to the populations living in northern of Gaza province

Sensitive factors and influencing factors:

- Internal procedures and regulations of the partner such as the mandatory approval from Tribunal de Contas and by the Prime Minister for construction projects costing more than 1 Mio US\$ delayed the contract awarding process and consequently the mobilization and start of works
- Financial capacity of contractor allowed start /progress of works even without full payment of the first advance and subsequent Invoices
- Lack of independent supervision affected the quality of works and consequently forced decisions to suspend the disbursement of funds and interruption of works

Unexpected results:

- So far there have been no unexpected results (positive or negative).

“Harmo” dynamics:

- A visit from the President of Mozambique followed by a multi-Sectoral government mission resulted in some changes on the initial plans of the hospital and recommendations to have an independent consultant to assess quality problems and needed corrections and this may result in further delays.

Gender and Environmental integration:

- The Hospital Plans include better facilities for Gynaecology/obstetric services and a maternity warden as well as a waiting house for pregnant women awaiting delivery
- Plans of the Hospital developed by the partner according to local laws and regulations on Environmental issues

Relation between **RESULT 2** and likely achievement of the specific objective:

- Delays in finalizing the procurement process and awarding contracts due to internal procedures of the Partner resulted in delays on the mobilization and start of the works. Consequently achievement of result 2 seriously delayed and compromised the quality of the referral services offered by this Hospital to the periphery of Maputo

Sensitive factors and influencing factors:

- Internal procedures and regulations of the partner such as the mandatory approval from Tribunal de Contas and by the Prime Minister for construction projects costing more than 1 Mio US\$ delayed the contract awarding process and consequently the mobilization and start of works
- Advance of Funds by BTC before signing of the CMO, based on the understanding that WB would be major funding partner and that WB procedures would be followed, allowed the partner to start the works before all monitoring and supervision mechanisms were in place and this have resulted in serious quality problems pointed out by the Value for Money Audits

- Lack of independent supervision affected the quality of works and it is affecting the services delivered

Unexpected results:

- So far there have been no unexpected results (positive or negative).

“Harmo” dynamics:

- Cancellation or non- approval of funding by WB of this project has affected the supervision/monitoring mechanisms

Gender and Environmental integration:

- The rehabilitation works included the improvement of Gynaecology/obstetric facilities as well as the maternity warden
- Plans for the rehabilitation of the Hospital developed by the partner according to local laws and regulations on Environmental issues

Relation between the **RESULT 3** and likely achievement of the specific objective:

- Delays in planning and delays in taking decisions on whether to keep activities regarding this result area of the project have not allowed the achievement of this result and therefore it has not contributed to the improvement of the services offered by the health staff

Sensitive factors and influencing factors:

- Lack of capacity from the partner to plan related activities or to decide on whether to keep this result area or not

Unexpected results:

- Changing of this result possible, just pending proposals from the partner and approval by JLCB

“Harmo” dynamics:

- Funding from other donors like DANIDA, EU and others for training activities and provision of Technical Assistance as well as the development of an integrated HR Development Plan by MISAU, this will also be partially funded by the Belgian Cooperation causing some reservations on the partner whether to keep this result or not in this project.

Gender and Environmental integration:

- If this to be implemented, training activities will benefit all health staff, including female works and technical staff

Relation between the **RESULT 4** and likely achievement of the specific objective:

- Most of the Health Units completed were handed over. Despite delays in its conclusion they are being used and are contributing to the improvement of the quality and accessibility of health services by the communities living in the affected areas.

Sensitive factors and influencing factors:

- Delays in the completion of the works due to limited capacity of the contractors and other logistics problems resulting from remote location of the units have caused some disruption on the services offered/delivered by the units.

Unexpected results:

- No change is foreseen

“Harmo” dynamics:

- All Units constructed in areas where no other services are available and according to partners needs and plans and therefore are contributing to the improvement of quality and accessibility

to health services by local populations

Gender and Environmental integration:

- Project sites and Plans selected and developed according to local regulations, including gender and environmental issues

Relation between the **RESULT 5** and likely achievement of the specific objective:

- The formulation of the project allowed access collection of accurate data and compliance of the project with the partners needs and plans and therefore contributed to the construction of health facilities where needed and in accordance with government norms and standards, this is contributing to the improvement of the quality and accessibility to health services by the populations living in the affected areas.

Sensitive factors and influencing factors:

- Delays in recruiting a service provider to undertake the Value for Money Audits has compromised the quality of works particularly in Mapai and at Jose Macamo Hospital
- Supervision visits/missions from BTC allowed early identification of quality problems which necessitated the RR to take affirmative actions to avoid further mistakes and a general failure of the project.

Unexpected results:

- No change is foreseen

“Harmo” dynamics:

- The fact that this project is aligned with partner’s strategies and is fully owned by the partner and follows its rules and procedures including the procurement ones which seriously delayed the tendering process for the Value for Money Audits as well as for the independent supervision, shows how embedded the project’s operations are in the partner’s systems.

Gender and Environmental integration:

- BTC missions visits to project locations allowed the assessment of the implications of construction works on the local environment and to check if plans have taken into account gender and environmental issues and if they are following local laws and regulations

4.2.3 Risks and Assumptions

Activity	Risk and Assumption	Level of Risk and Assumption	Measures taken to manage the risk
Review of Plans /approval of tender Process	Preparation delays due to internal departmental procurement procedures.	C	There is nothing that BTC can do to change internal procedures other than appealing for faster conclusion of hitches.
Contract awarding / Construction Works			
Mobilization/ Start of works	Delays due to lack of capacity of contractors	C	There is nothing that BTC can do to change internal procedures other than appealing for faster conclusion of hitches.
Construction and Supervision	Poor Quality of works	C	BTC Supervision visits to the sites Independent supervision services

			Value for Money Audits Interruption of the Disbursement of Funds
Final inspection for hand over	Facilities refused by local authorities	A	
Official hand over	Non Acceptance by local beneficiaries	A	
Final Evaluation/ Report	Non satisfactory performance / impact	A	
Assessment/ Baseline	Preparation delays due to internal departmental procurement procedures. Or lack of capacity from the partner	B	BTC appealed several times and proposed recruitment of consultancy services but was refused by partner
Training/Equipment	None use of the funds for training and capacity building	C	BTC urged the partner to take a final decision on this matter before next JLCB meeting
Value for Money Audits	Preparation delays due to internal departmental procurement procedures	B	BTC appealed several times and suspended the disbursement of funds until Audit was done

4.2.4 Quality criteria

	Score	Comments
Effectiveness	B	
Efficiency	C	BTC suspended the disbursement of funds until December 2010 in order to ensure the implementation of the specified monitoring and supervision mechanisms
Sustainability	X	
Relevance	A	

4.2.5 Impact

The specific objective of the fund has contributed to the reconstruction and improvement of the health facilities in the affected areas, thus contributing to the improvement of the living conditions of the population and therefore contributing to the poverty alleviation which is the main goal of government programs and plans. The specific objective remains therefore valid and its impact is guaranteed as during the formulation as no other health facilities are not being constructed nor have been planned by the government or any other donors in those locations

4.2.6 Lessons learned and recommendations

Decisions	Source	Who	Time	Status
Suspend the disbursement of funds until Value for Money Audits and independent supervision of Mapai Hospital took place		BTC RR	Q1 of year 2010	Done
Suspend works in Mapai hospital due to quality problems		MISAU	Q2 of year 2010	Done

Resume the Disbursement of funds after approval by JLCB of the Value for Money Report		RR	Q4 of year 2010	Done

Recommendation	Source	Who	Deadline
To correct reported quality problems in Mapai and Jose Macamo Hospital		MISAU/contractor	On-going
To negotiate with contractors the price revision resulting from the delays in payments / inflation rates after completion of studies/consultancies		MISAU	On-going
Revise construction plans of Mapai Hospital		MISAU/Contractor	On-going
Review Cash Flow needs and assess gains/losses due to exchange rates		MISAU	On-going

Lesson learned	Public	Capitalisation in the project cycle
<p>Construction of big facilities such as the Hospital in Mapai and Jose Macamo cannot be done without independent supervision</p> <p>MISAU do not have the technical capacity to ensure supervision of construction works particularly outside of Maputo</p>	Project, MISAU, other donors	

4.3 Result 1

IR 1: Mapai District Hospital + number (4) of selected primary health Centers

The focus of this result is 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.

Through a joint monitoring visits, BTC found out that construction works at Mapai and in the other 4 project sites (in Macovane, Nova Mambone – Govuro, Peia-Peia and Bandua) were well advanced and ahead of schedule, but no independent supervision was in place, this resulted in some quality problems in the construction of the structures, particularly in Mapai. BTC timely reported these issues directly to the partner during bilateral and technical meetings and to the JLCB meetings.

After a presidential visit to Mapai held in mid of 2010, which also expressed some concerns in regard to the quality of works, MISAU decided to suspend the works and a multi-sectorial government mission visited the project and made several recommendations.

At all JLCB meetings held before December 2010, BTC always urged the partner to speed up the process of recruiting consultancy companies to undertake the foreseen “Value for Money Audits” and the independent supervision of works, particularly in Mapai, but this only happened towards the end of 2010 and because the BTC RR had suspended the disbursement of funds until such mechanisms were put in place.

4.3.1. Result 2

IR 2: Co-Funding Jose Macamo Hospital

This result area refers to 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 was initially to be funded by World Bank but was financed through funds from PRO Saude. Works started end of 2007 and although it was expected to be completed initially in December 2008, was only completed in March 2009. The initial planned works were supposed to be 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.

The Value for Money Audit has pointed out significant quality problems, including some technical failures, which seem to be structural ones, like cracking walls etc. It also indicated that sewage systems seem to have been under dimensioned and therefore it is creating some sanitation problems.

Once again works at this Hospital were done without an independent supervision and despite concerns expressed by BTC in several occasions, the partner never wanted to award a contract to an independent supervising company with the excuse that it would increase the total costs of the project and that MISAU could do the supervision themselves.

4.3.2. Result 3

IR 3: Upgrade Implementation Capacity of executing agencies

This Result has never been considered in the partners plans. BTC urged the partner several times and in most JLCB meetings recalled the need to plan activities regarding this result. During the last JLCB held in December 2010 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 of the Ministry.

4.3.3. Result 4

IR 4: Continuation PRPE 1

This result has been addressed before year N and most of the construction works have been completed except for Marien N'guoabi, where minor works are still to be done and which are due to be completed by a local contractor under the direct supervision of MISAU .

4.3.4. Result 5

IR 5: General Means

This result was to cover the formulation process, which of course took place before the implementation of the project started and the Value for Money Audits, which only took place towards the end of 2010, this only after the BTC RR had suspended the disbursement of funds.

4.3.1 Indicators (refer to 4.2.1)

Result:					Progress:
Indicators	E	G	Baseline	Progress year N	Comments
<ul style="list-style-type: none"> Number of Health facilities according to the MISAU standards in the involved districts Number of referred patients & number of trained staff in Mapai Hospital Number of Patients and number of trained staff in the rehabilitated health centres Proportion of home versus health centres deliveries in the involved districts 			No Baseline	B	
			No Baseline	C	
			No Baseline data	B	
				B	
<ul style="list-style-type: none"> Hospital responds to general hospital standards and capacity Proportion of timely and successfully racts Proportion of timely and successfully completed contracts 				B	Some quality problems of the works affecting the services
				C	
<ul style="list-style-type: none"> Health Facilities in Chibuto, Marien Ngouabi, Machubo and Inhassoro according to MISAU Standards 				A	
<ul style="list-style-type: none"> Number of JLCB Meetings Number of Value for Money Audits 				B	
				C	

4.3.3 Analysis of progress made

All project sites have been selected by MISAU in coordination with the Provincial Authorities and local communities and are part of the government general investment plan, which is developed according to local laws and regulations on environment. On the other hand, all constructions include sewage systems and facilities for the incineration/ treatment of hospital waste as well as small water supply systems, which should as well contribute to the improvement of environmental conditions in the area.

Relation between activities and the **RESULT 1**:

- Delays in finalizing the procurement process and awarding contracts due to internal procedures of the Partner resulted in delays on the Mobilization and start of the works. Consequently the result 1 has not yet been fully achieved

Sensitive factors and influencing factors:

- Internal procedures and regulations of the partner such as the mandatory approval from Tribunal de Contas and by the Prime Minister for construction projects costing more than 1 Mio US\$ delayed the contract awarding process and consequently the mobilization and start of works
- Financial capacity of contractor allowed start /progress of works even without full payment of the first advance/further Invoices
- Lack of independent supervision affected the quality of works and consequently forced decisions to suspend the disbursement of funds and interruption of works

Unexpected results:

- So far there have been no unexpected results (positive or negative) .

“Harmo” dynamics:

- A visit from the President of Mozambique followed by a multi-sectorial government mission resulted in some changes on the initial plans of the hospital and recommendations to have an independent consultant to assess quality problems and needed corrections and this may result in further delays.

Gender and Environmental integration:

- The Hospital Plans include better facilities for gynecology/obstetric services and a maternity warden as well as a waiting house for pregnant women awaiting delivery
- Plans of the Hospital developed by the partner according to local laws and regulations on Environmental issues

Relation between activities and the result 2:

- Delays in finalizing the procurement process and awarding contracts due to internal procedures of the Partner resulted in delays on the mobilization and start of the works. Consequently achievement of result 2 seriously delayed

Sensitive factors and influencing factors:

- Internal procedures and regulations of the partner such as the mandatory approval from Tribunal de Contas and by the Prime Minister for construction projects costing more than 1 Mio US\$ delayed the contract awarding process and consequently the mobilization and start of works

- Advance of Funds by BTC before signing of the CMO, based on the understanding that WB would be major funding partner and that WB procedures would be followed, allowed the partner to start the works before all monitoring and supervision mechanisms were in place and this have resulted in serious quality problems pointed out by the Value for Money Audits
- Lack of independent supervision affected the quality of works and it is affecting the services delivered

Unexpected results:

- So far there have been no unexpected results (positive or negative) .

“Harmo” dynamics:

- Cancellation or non- approval of funding by WB of this project has affected the supervision/monitoring mechanisms

Gender and Environmental integration:

- The rehabilitation works included the improvement of gynecology/obstetric facilities as well as the maternity warden
- Plans for the rehabilitation of the Hospital developed by the partner according to local laws and regulations on Environmental issues

Relation between activities and the result 3:

- Delays in planning and lately in taking decisions weather to keep activities regarding this result in this project have not allowed the achievement of this result

Sensitive factors and influencing factors:

- Lack of capacity from the partner to plan related activities or to decide on whether to keep this result or not

Unexpected results:

- Changing of this result possible, just pending proposals from the partner and approval by JLCB

“Harmo” dynamics:

- Funding from other donors like DANIDA, EU and others for training activities and provision of Technical Assistance as well as the development of an integrated HR Development Plan by MISAU, which will also be partially funded by the Belgian Cooperation causing some reservations on the partner whether to keep this result or not in this project

Gender and Environmental integration:

- If this is to be implemented, training activities will benefit all health staff, including female workers and technical staff

Relation between activities and the result 4:

- Most of the health Units completed and handed over, despite considerable delays

Sensitive factors and influencing factors:

- Delays in the completion of the works due to limited capacity of the contractors and other logistics problems resulting from remote location of the units have caused some disruption on the services offered/delivered by the units

Unexpected results:

- No change is foreseen

“Harmo” dynamics:

- All Units constructed in areas where no other services are available and according to partners needs and plans and therefore are contributing to the improvement of quality and accessibility to health services by local populations

Gender and Environmental integration:

- Project sites and Plans selected and developed according to local regulations, including gender and environmental issues

Relation between activities and the result 5:

- Formulation of the project allowed BTC to have access and collect accurate data and to design a project which could comply with the partners needs and plans and contributed therefore to construction of health facilities where needed and in accordance to government norms and standards.

Sensitive factors and influencing factors:

- Delays in recruiting a service provider to undertake the Value for Money Audits has compromised the quality of works particularly in Mapai and at Jose Macamo Hospital
- Supervision visits/missions from BTC allowed early identification of quality problems based on which the RR took affirmative actions to avoid further mistakes and a general failure of the project

Unexpected results:

- No change is foreseen

“Harmo” dynamics:

- The fact that this project is aligned with partners strategies and is fully owned by the partner and follows its rules and procedures including the procurement process has seriously delayed the tendering process for the Value for Money Audits as well as for the independent supervision, leaving therefore very little room to BTC to speed up the process

Gender and Environmental integration:

- BTC missions visits to project locations allowed the assessment of the implications of construction works on the local environment and to check if plans have taken into account gender and environmental issues and if they are following local laws and regulations

4.3.4 Risks and Assumptions

- Delays due to internal departmental procurement procedures resulted in poor financial planning, which has also affected the cash flow management. This making it very difficult to BTC to do realistic planning and consequently resulted in very low execution rates until Q4 (the end) of 2010.
- Delays in putting in place monitoring and supervision mechanisms affected the quality of works and delays in handing over the completed health units. BTC undertook regular visits to project sites in order to assess progress and problems faced and to put permanent pressure to contractors and therefore ensure speeding up of the works
- In order to ensure compliance with partner’s rules and regulations for tendering process and assess the quality of the works, the project included funds for independent supervision and Value for Money Audits. But because the partner was delaying the recruitment of needed service providers, BTC had to decide to suspend the disbursement of funds until such mechanisms were in place

4.3.5 Quality criteria

Criterion	Score	Comment
Effectiveness	B	Considering that 3, out of the 4 selected health centers as well as the rehabilitation of Jose Macamo Hospital in Maputo have been completed and facilities are, despite the quality problems reported by BTC and confirmed by the independent Auditors, being already used by local populations the general rating of the project is satisfactory
Efficiency	C	Affected by constant delays in the tendering and also in reporting processes. Poor planning resulted in deficient financial planning and late disbursement of funds, which was aggravated because BTC was forced to stop the disbursement of funds until q4 of 2010 due to delays in recruiting Value for Money Auditors and independent Supervisors for the works
Sustainability	X	The degree of likelihood to maintain and/or staff the built facilities has never been assessed. These activities are completely left at the partner's responsibility. However is to note that this project follows national execution systems and mechanisms, which are regularly assessed by donors involved in the Budget Support programs, the so called G19, which rating has always been as satisfactory

4.3.6 Budget execution

Follow-up and budget proposal of MOZ0400512															
Project Title :		Rehabilitation and Reconstruction Programme of Health Sector Facilities - phase 2													
Fin Plan Version:		2011Q1													
Budget Version:		D01													
Last closing:		1/01/2011 - 31/01/2011													
Donor:		DGD													
Currency:		EUR													
Amounts in 1000 EUR															
Status	Fin Mode	int. Budget 2011	Budget 2011	Expenses YTD	Balance end-B-C	Expenses YTD	Expenses YTD	Balance and margin C-E	Balance planning 2011	Balance planning 2012	Balance planning 2013	Balance planning 2014	Proposed Budget changes G-H-I-J	Budget 2013	
A GRANT															
		5.530,02	5.530,02	3.727,50	1.811,52	0,00	3.727,50	1.811,52	1.811,52	0,00	0,00	0,00	-4.500,02	0,00	
	01 Grant	5.530,02	5.530,02	3.727,50	1.811,52	0,00	3.727,50	1.811,52	1.811,52	0,00	0,00	0,00	-4.500,02	0,00	
	01 Grant	COGEST	5.530,02	3.727,50	1.811,52	0,00	3.727,50	1.811,52	1.811,52	0,00	0,00	0,00	-4.500,02	0,00	
Z GENERAL MEANS															
	01 Backstopping		24,36	24,36	-7,19	31,55	0,00	-7,19	31,55	0,00	0,00	0,00	-24,36	0,00	
	01 Backstopping BTC-HQ	REGIE	15,00	15,00	0,00	15,00	0,00	0,00	15,00	15,00	0,00	0,00	0,00	-15,00	0,00
	02 Formulation		9,36	9,36	0,30	9,06	0,00	0,30	9,06	9,06	0,00	0,00	0,00	-9,36	0,00
	01 Solde formulation	REGIE	9,36	9,36	0,30	9,06	0,00	0,30	9,06	9,06	0,00	0,00	0,00	-9,36	0,00
	03 Bank and Administrative		0,00	0,00	-7,49	7,49	0,00	-7,49	7,49	7,49	0,00	0,00	0,00	0,00	0,00
	01 Bank Charges & Interest	REGIE	0,00	0,00	-3,79	3,79	0,00	-3,79	3,79	3,79	0,00	0,00	0,00	0,00	0,00
	02 Bank Charges & Interest	COGEST	0,00	0,00	-3,70	3,70	0,00	-3,70	3,70	3,70	0,00	0,00	0,00	0,00	0,00
	REGIE TOTAL	24,36	24,36	-7,49	27,85	0,00	-7,49	27,85	27,85	0,00	0,00	0,00	-24,36	0,00	
	COGEST TOTAL	5.530,02	5.530,02	3.723,80	1.815,22	0,00	3.723,80	1.815,22	1.815,22	0,00	0,00	0,00	-4.519,02	0,00	
	TOTAL	5.554,38	5.554,38	3.726,31	1.842,07	0,00	3.726,31	1.842,07	1.842,07	0,00	0,00	0,00	-4.543,36	0,00	

4.3.7 Lessons learned and recommendations

(see 4.2.6)

5 Beneficiaries

The beneficiaries of this project are all communities living in the affected areas (areas where construction /rehabilitation of health facilities took or is still taking place). It is therefore to assume that the facilities will contribute in the improvement of the quality and access of those populations to the basic health care and even referral services as it is the case of Jose Macamo Hospital and of Mapai hospital once is completed

The Ministry of Health or its staff are also beneficiaries of this project as its implementation includes some capacity building activities

Private enterprises like the contractors building the facilities as well as consultancy providing supervising and auditing services are also benefiting from projects. This project is also contributing to the general economy through job opportunities that creates but also through taxes paid to the government

Local governments, particularly the health provincial and district authorities of affected areas are also benefitting from the project and being released from the pressure resulting from the lack of health services in their areas and can therefore direct their efforts and resources to other investment plans.

Recently published data on poverty reduction are showing that the level of poverty amongst the urban population is growing considerably, particularly in Maputo City. It is therefore to believe that the improvement of the quality of health care offered by Jose Macamo Hospital, the second major Hospital in Maputo and in the country is definitely changing the living conditions of the people from the periphery areas of Maputo, which are mainly served by the above-mentioned Hospital.

It is also expected that the Hospital being constructed in Mapai, will as well work as a Development Centre in the area, this contributing to bringing to the area new and more people and services, which can be provided to the Hospital itself and to health staff working in that same hospital.

6 Follow-up of the decisions taken by the JLCB

Decisions taken by the JLCB have not always been followed by the partner, particularly in regard to adherence to monitoring and supervision mechanisms and to proper planning and reporting. This attitude has contributed in serious delays in the project implementation as aforementioned in this report.

The fact that the Chairman of the JLCB, the National Director of the Treasury, is not directly involved in the activities/ management of the Ministry of Health, which is in charge of the project execution made it very difficult to him to ensure proper follow up of the implementation of the decisions taken or recommendations made by the JLCB

Due to above-mentioned problems and considering that BTC could not directly ensure adherence to the decisions by the executing partner, the RR was forced to use the suspension of disbursement of funds as pressing tool to ensure for example the Value for Money Audits and future independent supervision of the construction works at least at Mapai hospital.

7 Annexes

Logical framework (BTC - FTP?)

M&E activities (Value for Money Audit ?)

“Budget versus current (y – m)” Report

Budget vs Actuals (Year to Month) of MOZ0400512								
Project Title : Rehabilitation and Reconstruction Programme of Health Sector Facilities - phase 2								
Budget Version: D01 Year to month : 31/12/2010								
Currency : EUR								
YIM : Report includes all closed transactions until the end date of the chosen closing								
	Status	Fin Mode	Amount	Start to 2009	Expenses 2010	Total	Balance	% Exec
A GRANT			5.539.020,88	2.699.500,00	1.028.000,00	3.727.500,00	1.811.520,88	67%
01 Grant			5.539.020,88	2.699.500,00	1.028.000,00	3.727.500,00	1.811.520,88	67%
01 Grant		COGES	5.539.020,88	2.699.500,00	1.028.000,00	3.727.500,00	1.811.520,88	67%
Z GENERAL MEANS			24.359,00	-7.530,84	352,91	-7.177,93	31.536,83	-29%
01 Backstopping			15.000,00	0,00	0,00	0,00	15.000,00	0%
01 Backstopping BTC-HQ		REGIE	15.000,00	0,00	0,00	0,00	15.000,00	0%
02 Formulation			9.359,00	0,00	304,57	304,57	9.054,43	3%
01 Solde formulation		REGIE	9.359,00	0,00	304,57	304,57	9.054,43	3%
03 Bank and Administrative Charges			0,00	-7.530,84	48,34	-7.482,50	7.482,50	7%
01 Bank Charges & Interest		REGIE	0,00	-3.786,72	0,00	-3.786,72	3.786,72	7%
02 Bank Charges & Interest		COGES	0,00	-3.744,12	48,34	-3.695,78	3.695,78	7%
		REGIE	24.359,00	-3.786,72	304,57	-3.482,15	27.841,15	-14%
		COGEST	5.539.020,88	2.695.755,88	1.028.048,34	3.723.804,22	1.815.216,46	67%
		TOTAL	5.563.379,88	2.691.969,16	1.028.352,91	3.720.322,07	1.843.057,81	67%

Budget vs Actuals (Year to Month) of MOZ0400512 Printed on donderdag 24 maart 2011 page: 1

Operational planning Q1-2011

Following the disbursement of 1.500.000 EUR in Q4 of 2010, which should be used to cover all outstanding bills resulting from the interruption on the disbursement of funds, BTC urged the partner to present a realistic plan for the continuation of the works at Mapai Hospital and at the health Centre in Macovane in Inhambane province, as well as a proposal for the correction of identified quality problems at Jose Macamo Hospital. It is therefore to assume that during Q 1 of 2011 the project will start the correction works in Mapai and Jose Macamo and will resume the works in Macovane, which were suspended by the contractor due to lack of funds caused by late payment of presented Invoices by MISAU.

An updated Work plan will be presented when approved by next JLCB meeting which is due to take place most likely in January 2011.

