



“Health System Strengthening” (HSS)

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

Progress Report

February 2019 – February 2020



Mozambique, February 2020



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Project Overview:

Donor:	Global Fund to fight AIDS, Tuberculosis (TB) and Malaria (GF)
	Financing Agreement (Cost-Sharing Agreement) between UNDP and the Government of Mozambique through Ministry of Health (MoH)
Country:	Mozambique
Project Title:	“Health System Strengthening” (HSS)
Project ID:	Atlas Award ID: 00114992 Project (output): 00112777 - HIV Grant Project (output): 00114917 - TB Grant
Contributing Outcome (UNDAF/CPD):	UNDAF Outcome 8/ CPD Outcome 68 All people benefit from democratic and transparent governance institutions and systems that guarantee peace consolidation, human rights and equitable service delivery.
Implementing Partner:	UNDP Mozambique (DIM Project)
LPAC meeting and Project Start Date:	22 February 2019
Amendment 1 signature:	4 November 2019
Project expected end date:	31 December 2020
Total resources required 2019-2020	USD 7,751,531



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1. Project Background:

Brief description:

The “*Health System Strengthening*” (HSS) Project is to undertake the construction (1 Medical Warehouse, 5 TB-MDR Wards and 17 shelters for TB clinics) and rehabilitation works, as part of the grant agreements between the Ministry of Health of the Republic of Mozambique (MoH) with the Global Fund to fight AIDS, Tuberculosis (TB) and Malaria (GF), in Mozambique in the area of HIV and TB (MOZ-H-MOH, MOZ-T-MOH). Within this project UNDP supports the Ministry of Health of the Republic of Mozambique, through the Central Medical Store of Mozambique (CMAM) to strengthen the capacities of the national medicine supply system and the National Tuberculosis Control Programme (NTP), to provide quality health services to the population of Mozambique at national and local level, living in remote areas, in absolute poverty, which includes people living with HIV and AIDS, Multi-drug Resistant Tuberculosis (MDR-TB) patients.

UNDP intervention under this Project contributes to the implementation of the CMAM Strategic Plan for Pharmaceutical Logistics (PELF) in two phases. In phase I, UNDP supports the reconstruction of Manica warehouse, five MDR-TB wards and seventeen waiting areas for the TB patients. In Phase II, UNDP will manage the rehabilitation of provincial warehouses, including the Beira Regional warehouse. UNDP support contributes to the CMAM and NTP efforts to improve treatment outcome of MDR-TB, infectious disease control, and storage conditions of the medicines, vaccines and other health products.

Objective:

The main objective of the HSS Project is to strengthen the national health system by reinforcing the medical supply chain system management and enhancing the MDR-TB treatment outcome through:

- Improved safety, security and storage conditions of medicines, vaccines and other health products at sub-national level through the construction of a provincial warehouse in Chimoio (Phase I), the rehabilitation of provincial warehouses and repairs in Beira Regional warehouse (Phase II);
- Improved conditions of clinical care for MDR TB patients through the construction of five new wards for multi-drug resistant patients and 17 waiting shelters in the TB clinics (Phase I).

Coverage/locations:

National coverage, with prioritized provinces for:

- Construction of medical warehouse: Manica
- Construction of TB Wards: Gaza (2); Sofala (1); Zambezia (1) and Nampula (1)
- Construction of TB waiting areas: Gaza (5); Sofala (2); Zambezia (5); Nampula (5)



Figure 1: Initial civil works - cleaning the land to prepare construction of the Intermediary Medical Warehouse, Chimoio, Manica province.

2. Project Implementation Details:

Outcome: All people benefit from democratic and transparent governance institutions and systems that ensure peace consolidation, human rights and equitable service delivery (UNDAF outcome 8).

Results	Indicators	Baseline	Target / Year	Approved budget (USD, no GMS)
1.Improved safety, security and storage conditions of medicines, vaccines and other health products at sub-national level through the construction of a provincial warehouse in Chimoio (Phase I), the rehabilitation of provincial warehouses and repairs of Beira Regional warehouse (Phase II).	Number of newly constructed regional medical warehouses	0 (2018)	1 (2020)	3,476,889.69 (construction)
				290,000 (supervision)
				320,424 (equipment)
				235,000 (Incinerator)
				20,000 (Environmental Impact Study)
				4,342,313.69

2.Improved conditions of clinical care for MDR-TB patients through the construction of 5 new wards for multi-drug resistant patients and 17 waiting shelters in the TB clinics (Phase I).	2a. Number of <u>provinces</u> with improved MDR-TB cases management and infectious control.	0 (2018)	4 (2020)	1,156,166 (construction)
	2b. Number of waiting shelters for TB clinics constructed	0 (2018)	17 (2020)	479,000 (construction)
				140,000 (supervision)
				1,775,166
Total approved budget for phase I civil works 2019-2020 (USD), GMS not included				6,117,479.69
Total approved budget for phase I civil works 2019-2020 with GMS 4% (USD)				6,362,179

3. Progress achieved:



Main achievements Q1 2019

Project inception / start-up completed, including:

- ✓ Finalized and signed Financing Agreement (annex 1) with the MoH, after cleared by GF
- ✓ Finalized and signed Project Document (PRODOC – annex 2) with the MoH
- ✓ Local Project Appraisal Committee (LPAC – annex 3) meeting conducted
- ✓ Planned disbursements HIV and TB received timely
- ✓ Project Board committee organized, and this management mechanism approved by the MoH Minister (annex 4)
- ✓ Q1 UNDP HQ mission to Mozambique conducted



Fig. 2: Project Document (PRODOC) signature after the Local Project Appraisal Committee (LPAC) meeting on 22 February 2019.

On the left, Mr. Martim Maya, UNDP Resident Representative a.i. On the right, Mr. Zacarias C. Zindoga, Permanent Secretary of the MoH (article available at: <http://www.misau.gov.mz/index.php/63-novo-proyecto-impulsiona-sistema-de-saude-de-mocambique>)

On Solar for Health (S4H) component:

- Solar for Health assessment finalized in 7 sites (Pemba, Matola, Zimpeto, Lichinga, Nampula, Beira).

Report available (annex 5) and shared with Government and partners (e.g. CMAM, GAVI).



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

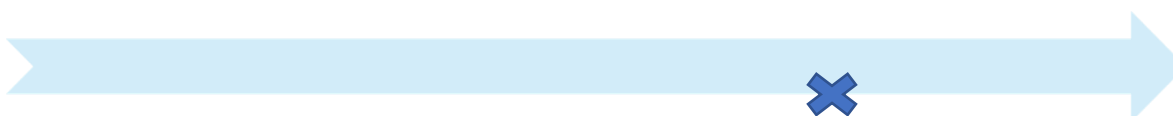


Main achievements Q2 2019

Project preparation phase concluded, including:

- ✓ Field site assessments conducted; recommendations approved by MoH
- ✓ Final updated 2019 list of health facilities approved by MoH
- ✓ Several partnerships consolidated in Government and UN Agencies
- ✓ Strategic partnerships in field of supply chain management initiated
- ✓ Topography Chimoio secured and approved by local authorities
- ✓ Tender documents finalized for all civil works phase I
- ✓ Final review of design and adjustment of BoQ finalized for civil works (HIV and TB)
- ✓ Tender documents Quality Assurance process completed by a UNDP independent Warehouse Specialist, with validation reports available and discussed with the MoH

-
- ✓ Recommendations to improve efficiency presented to MoH and approved
 - ✓ Project Support Unit: 2 civil engineers - hired; 1 procurement and 1 finance assistants – hired; Programme Manager - hired. New position of Procurement Officer approved with the signature of the amendment 1 to the Financing Agreement.



Main achievements
Q3 2019

Medical Warehouse: construction company selected; supervision company selected (confirmation received on 20 September); contract award phase ongoing.

- ✓ **Licensing processes:** land ownership (DUAT) and environmental license (not adjusted to incinerator category) are granted, as per MoH information (pending documentation to be shared with UNDP); construction license to be secured (pending contracts signature with construction and supervision companies).
- ✓ **Office to UNDP Engineer in Chimoio:** The Chimoio Health Director authorized and allocated to UNDP Engineer a room in Health Directorate building in Chimoio. A signed document to officiate this gesture was requested and is awaited. UNDP equipped the room.

TB civil works: both construction and supervision companies are under evaluation.

- ✓ **Licensing processes:** construction license can only be requested when construction and supervision companies are known; Ministry of Environment to

confirm that there is not the need to issue environmental licenses; land ownership documentation to be confirmed.

- ✓ Project Board meeting semester 1 2019 (January-June) conducted

Amendment 1 to Financing Agreement: CMAM confirmed workplan for HIV component; draft amendment text shared with GF for review; additional funds expected in October, particularly important to finalize contracts with supervision company (Medical Warehouse).

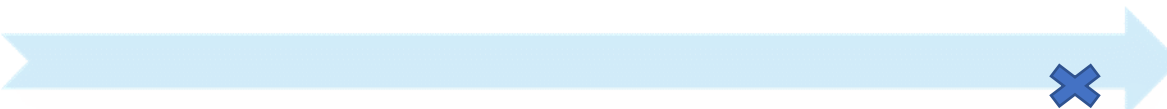


Figures 4 and 5: Image of Zâmbia Medical Warehouse - Dock levelers at Receiving Area (left) and at Dispatch Area – one of UNDP recommendations to MoH Executive Project and that was approved. Will be one of the innovations introduced in Mozambique Medical Warehouses construction Projects.



Figure 6: Other Supply Chain Management Activities included in Amendment 1 to the Financing Agreement - Incinerator.

UNDP supported the Zambia Medicines Regulatory Authority (ZAMRA) with the installation of 2 Incinerators at the ZAMRA premises. UNDP constructed an incineration compound that houses an incineration shed, offices, waste sorting areas, waste pit and other conveniences.



Main achievements Q4 2019

- ✓ Partnership UNDP-Ministry of Health reinforced with the signature of the amendment 1 to the Financing Agreement for phase I, increasing Global Fund contribution to USD 7,7 million.
- ✓ Eligibility for VAT certification confirmed by the Ministry of Health on 17 December 2019. To proceed now with request to be authorized to issue credentials.

Medical Warehouse:

- ✓ Construction and Supervision companies with contracts awarded.
- ✓ Consignation done on the 21 November 2019.
- ✓ Civil works initiated and duration estimated in 10 months.
- ✓ Construction License secured.

- ✓ MITADER authorized construction to start while the Environmental Impact study is conducted and submitted for validation.
- ✓ Engineer UNDP moved to Chimoio and based in the Provincial Directorate of Health.
- ✓ Vehicle for Chimoio arrived in country and legal documentation being processed.
- ✓ Two Walking In Cold Rooms financed by Gavi will be installed in the Warehouse for the vaccines quality storage.
- ✓ The UNDP solution for Racks approved with the signature of the amendment 1 increases the total storage capacity of the warehouse in additional 597 pallets (from 1200 to 1797).
- ✓ First civil works meeting scheduled for 20 December 2019, in the construction site, and the Deputy Director of CMAM will attend.



Figures 7 and 8: Progress of the civil works in Chimoio (Medical warehouse), as of 10 December 2019.

The construction of the newly Medical Warehouse in Manica province, Chimoio City, is on-track, with expected delivery to Ministry of Health in 2020, as planned. The new Medical Warehouse will contribute for a regular and continuous supply of vital and essential medicines and health products to users of National health System and in particularly to users of the municipality health facilities.



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TB – Construction of TB Wards and Waiting areas:

- ✓ The tenders to select the construction and supervision companies will be re-launch for the third time in 2020.

It remains the difficult to qualify suppliers, with zero companies identified to implement the civil works in the provinces of Sofala and Nampula. Therefore, UNDP is revising the evaluation criteria and media communication strategy.

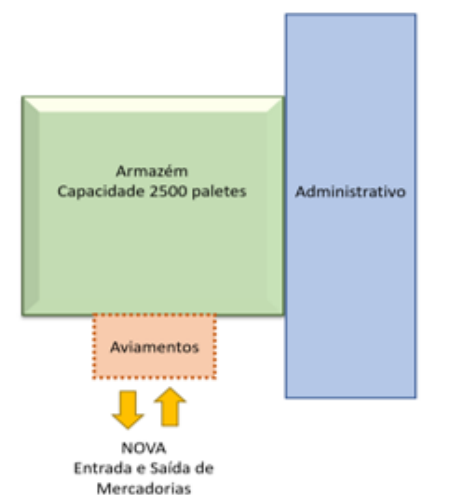
To profit from the opportunity that a new tender is being prepared, UNDP, in close collaboration with the Engineers from the Infrastructure Department of the Ministry of Health, are updating the executive project (drawings and bill of quantities).

From this work, the results reflect not only in the capacity development of the Ministry of Health Engineers and Infrastructure Department staff, as it also ensures the quality of the Executive Project of this specific Health infrastructures, that can be standardized and appropriated by Ministry of Health as an example to guide other potential donors. The innovations being included in the Executive Project will ensure that the epidemiological aspects are considered, promoting a safe environment for hospitalization and eliminating the risk of propagation of the disease. In addition, recommendations for safe construction are being validated and UNDP hence contributes, once more in TB component, for strengthening the resilience of Mozambique Health System.

Moreover, due to the specific epidemiological context of the disease, UNDP identified aspects in the Wards drawings that can promote the risk of infection. Those were presented to MISAU and a focal point from WHO was presented and can be engaged in the further discussions to update and validate the drawings, ensuring the quality of the executive project not only in terms of safe construction, but also, in terms of eliminate risks of infection.

The Project keeps on track as the construction works are estimated in 6 months for the wards and in 2 months for the waiting areas. The construction will occur simultaneously in the four provinces.

Global Fund Country Team November mission to Mozambique and conclusions to prepare the amendment 2 to the Financing Agreement for phase II (Rehabilitation component):



CMAM confirmed the scope of works for the Medical warehouse Pioneers (Beira).

The UNDP intervention will increase the storage capacity to 2500 pallets, preparing the infrastructure for future expansion in 2021.



Main achievements Jan-Feb 2020

HIV – Construction and equipment of Chimoio Medical warehouse:

- ✓ “Cerimónia de Lançamento da 1ª Pedra” (Ceremony) conducted by the Minister of Health on the 21 February 2020. Article available here: <http://www.misau.gov.mz/>



Figure 9: Pictures of the Ceremony in Chimoio above; monthly meeting with UNDP and CMAM Management below.

Civil works progress details:

- Update as of 23 January provided to GF in meeting with CMAM. Presentation shared.
- Next detailed technical update will be annex to quarter 1 report (note weekly progress updates available).



Below images of the site works as of 22 February 2020, from the weekly report provided by the supervision company to UNDP (legend in Portuguese was kept, to ensure coherency of the technical terminology):





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TB – Construction of TB Wards and Waiting areas:

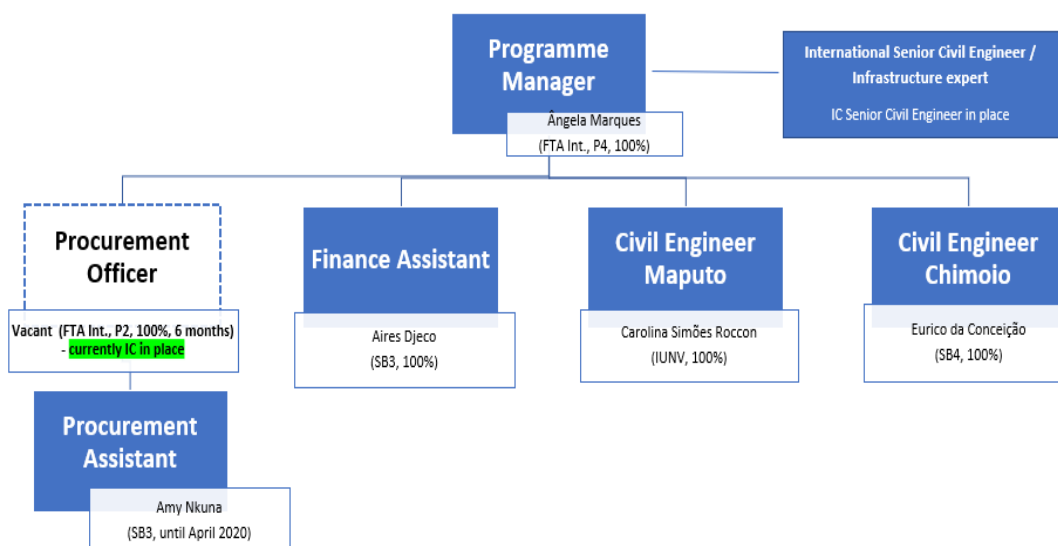
- ✓ The tenders to select the construction and supervision companies will be re-launch for the third time in 2020.
- ✓ Executive Project of the TB Wards and waiting areas revised – structural aspects reinforced, and safe construction elements included to increase resilience of the infrastructures to the impact of climate change on health (e.g. floods and cyclones), in order to ensure sustainability and protect the investment.
- ✓ Revised Executive projects and respective increment in costs validated by the Department of Infrastructure of the MoH and by the Independent Senior Civil Engineers hired by UNDP for quality assurance.
- ✓ Procurement case under evaluation by UNDP HQ.
- ✓ Mobilization of additional funds under discussion through amendment 2.

Phase II:

- ✓ Completed the Architectural drawings for Beira rehabilitation.
- ✓ Finalized the solicitation document to initiate procurement process for the supervision company recruitment.
- ✓ Identified the 3-priority provincial medical warehouses, to allow decision about integration of respective rehabilitation works in the amendment 2 to the Financing Agreement. Selected provinces by CMAM: Cabo Delgado, Sofala and Tete. Executive Projects (drawings and bill of quantities) not yet available – UNDP cannot proceed without these documentations.

Project Support Unit:

Please refer to figure 10 below: current organogram - positions funded by HSS Project



4. Project Risks:

Project risk log was updated for HIV and TB Projects in December 2019.

Next update is expected to integrate phase II (rehabilitation component) and is to integrate the quarter 1 (January – March) 2020 progress report.

5. Expenditure Report:

As per UNDP rules and regulations, the annual UNDP Combined Delivery Report 2019 could only be released to counterpart after internal validation, provided after the end of year closure exercise is finalized.

The Annual 2019 Combined Delivery Report was submitted to MoH PMU on the 19 February 2020.

2020: expenditure status as of date of reporting (January – February):

	HIV	TB
▪ Available resources 2020	799,454	1,892,373
▪ Commitments	526,583	0
▪ Expenditures	14,906	2,157
▪ Total Commitments + Expenditures	541,489	2,157
Total Cash left (USD)	257,965	1,890,216
Delivery rate (%)	68%	0%

Explanatory note:

HIV Project

- **Available resources: USD 799,454**

Amount corresponds to the disbursement of November 2019 (USD 622,386), which funds were only received by UNDP in December 2019 and applied in 2020 year. It reflects cumulative of mentioned disbursement, plus the 2019 savings (USD 177,000) transferred to 2020.



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- **Commitments: USD 526,583**

Commitments correspond to complement of contract of construction company, and supervision company contract (Medical Warehouse Chimoio), plus the Consultancy of Procurement Specialist currently undertaken preparation of procurement cases for TB component, and activities preparation related to Waste Management.

TB Project

- **Available resources: USD 1,892,373**

Amount corresponds to the disbursements 2019 reserved for civil works activities plus the balance from management activities (savings of approximately USD 29,000).

- **Commitments: USD 0**

Commitments will only reflect when the contracts of construction and supervision companies are awarded.

Other observations:

The final Annual Work Plan (AWP) 2020 will be finalized when the amendment 2 to the Financing Agreement is signed, so that the additional activities can be incorporated. As of current date, the amendment II is not yet signed, therefore, the AWP 2020 will be presented in the next Project Board meeting and be an attachment to the progress report that will be the support of the April 2020 disbursement for phase II activities.

As reported in December 2019, were verified savings in the Projects, as follows:

- USD 177,000 in HIV Project
- USD 29,000 in TB Project

Proposal to reprogram savings is prepared to be submitted to the Project Board. The budget revision for HIV Project will depend on the items approved in amendment II, on the risk management component.



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The USD 29,000 savings under TB project will be proposed to be kept until the procurement process for selection of supervision and construction companies is finalized, to manage any variance from planned amount for contracts and financial proposal of awarded bidder.

6. Way forward:

The progress update hereby reported will be summarized to present to the MoH, during the quarter 1 Project Board meeting.

Next Report (January – March 2020) will be presented as support for the second disbursement request of 2020 – phase II.

Below are key highlights of the immediate next steps/status per Project component:

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

Activity	Status
Development of the strategy for the Incinerator operation and maintenance	Procurement process of the consultant ongoing.
Environmental Impact study	Procurement process under preparation.
Procurement of the incinerator and warehouse equipment	Technical specifications under final verification. Procurement process under preparation.
Monitor the civil works progress	Supervision company working; civil works reports provided to UNDP weekly basis; UNDP Resident Engineer in Chimoio, with office in Provincial Health Directorate; UNDP vehicle allocated to UNDP resident Engineer in Chimoio; month meetings occurring and minutes circulated; CMAM and UNDP Management visiting the works on bi-monthly basis.

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

Activity	Status
<p>Re-open tender to select the construction and supervision companies</p>	<ul style="list-style-type: none"> Advertisement expected middle March. Procurement Specialist experienced in UNDP similar civil works cases (done in UNDP Malawi) in country during month of March. She will be travelling to each of the 4 provinces to: present the Project with support from lead UNDP Engineer, conduct pre-bid conference in site (clarifications in site) and do training for the interested bidders to ensure that companies understand the application procedure and UNDP platform. Department of Infrastructure of the MoH will join this mission and the focal points from each Health Directorate (provincial and district levels) will be engaged in the process, for better understanding and appropriation. Works expected to start maximum May 2020. Project on track.
<p>Finalize all implantation plants per site</p>	<p>Ongoing – joint work between UNDP lead Engineer and focal point Engineer from the Department of Infrastructure of the MoH.</p>
<p>Finalize licensing process</p>	<p>Department of Infrastructure of the MoH supporting with licensing requirements,</p>

particularly in securing all 17 sites land ownership document.

c) Management:

Activity	Status
Financial reports: secure homologation of 2019 annual report	Submitted to MoH – following up signatures. Next report: January-March 2020
Programmatic reports: on track.	Next report: January-March 2020
Amendment phase II: rehabilitation	Under negotiation Meeting with LFA – done 24 February Teleconference with GF: 4 March
Present reprogramming plan to use 2019 savings	Depends on signature of amendment 2
Project Document phase II: rehabilitation	Depends on signature of amendment 2; and decision to include priority provincial warehouses in phase II
Risk log update with rehabilitation Project	Depends on signature of amendment 2
Annual Work Plan 2020 – reflecting new Project (Malaria) and new activities (rehabilitation)	Depends on signature of amendment 2
Conduct first quarter 2020 Project Board meeting	Depends on signature of amendment 2 so that the following documents can be validated: <ul style="list-style-type: none"> • Project Document phase II • Annual Work Plan 2020 • Budget revision to use 2019 savings



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<p>Initiate recruitment processes for the following positions: Procurement Specialist (staff); Project Associate; Civil Engineer (rehabilitation)</p>	<p>Depends on signature of amendment 2</p>
<p>Programmatic and Financial donor coordination with GAVI</p>	<p>Ongoing.</p> <p>2 WICR secured for Chimoio Medical Warehouse. UNICEF will do the procurement and installation. GAVI finances the equipment.</p> <p>UNDP approached for Technical Assistance to Develop a strategy & SOPs to manage solid immunization waste and obsolete Cold Chain Equipment (CCE). This is in context of GAVI HSS 2, area of Supply Chain & Procurement, Improved and Integrated Vaccine Supply, Quality & Logistics.</p> <p>Expected outcome: Promoted the integration with PELF intermediary medical warehouses with a national strategy and SOPs to manage solid immunization waste and obsolete CCE.</p> <p>This proposal is under discussion. If proceeding, this component will complement the work of development of SOPs for Pharmaceutical Waste that is to undertake in the next months in Chimoio. It will therefore align with national strategy of integration CMAM-PAV.</p>

List of Annexes:

1. Project risk log
2. Combined Delivery Report 2019 (Annual)
3. Minutes of December 2019 Project Board meeting



Figure 11: Group photo at the end of Ceremony in Chimoio.

From the left to the right: Supervision company staff, Construction company Director, Provincial Health Director, UNDP Resident Representative a.i., State Secretary, UNDP-MoH HSS Programme Manager, Minister of Health, Deputy Director CMAM, National Health Director, UNDP HSS Engineers, CMAM technical counterpart, Department of Infrastructures MoH technical counterpart.