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# MOZAMBIQUE FORSSAS (HEALTH AND SOCIAL WELFARE SYSTEMS STRENGTHENING)

QUARTERLY TECHNICAL PERFORMANCE REPORT: FISCAL YEAR 2014, QUARTER 1

July 1 – September 30, 2013

Cooperative Agreement No. AID-656-A-12-00002

October 31, 2013

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Prepared for:

USAID/Mozambique, Integrated Health Office

Prepared by:

**Deloitte.**

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**The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.**

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## Acronyms

APE*	Community Health Worker ( <i>Agente Polivalente Elementar</i> )
CHW	Community Health Worker
CMAM*	Central Medical Stores ( <i>Central de Medicamentos e Artigos Medicos</i> )
DAF*	Directorate of Administration and Finance ( <i>Direcção de Administração e Finanças</i> )
DIS	Department of Health Information ( <i>Departamento de Informacao para Saude</i> )
DPC*	Directorate of Planning and Cooperation ( <i>Direcção de Planificação e Cooperação</i> )
DPS	National Directorate of Public Health ( <i>Direcção Provincial da Saúde</i> )
DRH	Directorate of Human Resources ( <i>Direcção Recursus Humanos</i> )
FORSSAS*	Health and Social Welfare Systems Strengthening ( <i>Fortalecimento dos Sistemas de Saúde e Acção Social</i> )
GRM	Government of the Republic of Mozambique
IA	Internal Audit
ICSM*	Health Sciences Institute of Maputo ( <i>Instituto de Ciências de Saúde de Maputo</i> )
IFAPA*	Training Institutes in Public and Municipal Administration ( <i>Institutos de Formação em Administração Pública e Autárquica</i> )
IR	Intermediate Result
M&E	Monitoring and Evaluation
MISAU*	Ministry of Health ( <i>Ministério de Saúde</i> )
MMAS*	Ministry of Women and Social Welfare ( <i>Ministério da Mulher e da Acção Social</i> )
MTEF	Medium Term Expenditure Framework
NHA	National Health Account
PARI*	Accelerated Plan for Institutional Reform ( <i>Plano Acelerado de Reformas Institucionais</i> )
PELF*	Pharmaceutical Logistics Strategic Plan ( <i>Plano Estrategico da Logistica Farmaceutica</i> )
PES	Annual Economic and Social Plan ( <i>Plano Economico e Social</i> )
PESS	Health Sector Strategic Plan ( <i>Plano Estrategico do Sector Saúde</i> )
PBF	Performance Based Financing
PMP	Performance Monitoring Plan
QAD*	Performance Evaluation Framework ( <i>Quadro de Avalicao de Desempenho</i> )
SOP	Standard Operating Procedure
UGEA	Acquisitions Executive Management Unit ( <i>Unidade Gestora Executora de Acquisições</i> )
USAID	United States Agency for International Development

*\*Portuguese acronyms, formal definition provided in italics*

## Executive Summary

Improved health and social welfare for the population is the foundation for Ministry of Health (MISAU) and Ministry of Women and Social Welfare (MMAS) strategies in Mozambique. These strategies are documented in the Accelerated Plan for Institutional Reform (PARI), the Health Sector Strategic Plan (PESS) and the annual Economic and Social Operational Plan (POPES). In support of these national strategies the United States Agency for International Development (USAID) developed the five-year Health and Social Welfare Systems Strengthening (FORSSAS) project. This report covers project progress made during the initial quarter of project year two, July 1, 2013 to September 30, 2013.

Major accomplishments during this quarter in the area of improved sector governance included the roll out of the e-SISTAFE system to the Central Medical Store (CMAM) in line with the PARI goal of budget authority decentralization. FORSSAS also submitted the Financial Operations Manual for the central level to the Directorate of Administration and Finance (DAF) and MISAU leadership and completed mapping of provincial-level financial management processes in two provincial offices. The FORSSAS team submitted final versions of CMAM procurement standard operating procedures (SOPs) to the Sector Head, who approved and forwarded to the CMAM Director for institutional approval.

During the quarter, the Permanent Secretary also approved MISAU procurement guidelines developed by the project to address existing challenges identified by Acquisitions Executive Management Unit (UGEA) staff. The guidelines were distributed formally to all MISAU Directorates. The approval of the Strategic Plan for Pharmaceutical Logistics (PELF), heavily supported by project staff advocacy efforts, provides CMAM with an overarching strategy to guide and implement strategy and provides a nationally-endorsed foundation for improvement areas targeted by the project.

In the area of health financing, the team assisted MISAU in finalizing the health financing roadmap and establishing a technical committee to drive National Health Account (NHA) data collection and developing standard tools and procedures for budget monitoring and oversight.

On July 5, 2013 the agreement for the Global Fund Transitional Funding Mechanism for Tuberculosis Round 7 and the initial disbursement for the Health Systems Strengthening Round 8 grant were signed. The initial disbursement for the Round 8 grant totaled 1,563,887 USD. These disbursements reflect the impact of FORSSAS efforts to build capacity of the Global Fund Unit to secure and manage external funding.

In the area of human resources for health, the project team supported the creation of a draft Human Resource Absorption Plan for MISAU and began training the provinces on the Placement Plan methodology. FORSSAS continued to oversee training of health workforce staff and advanced development of a country-owned mechanism for financing community health workers (CHWs) and the services they deliver. In this way, FORSSAS is helping the Ministry of Health successfully take the initial steps to establish a long term approach to sustainably integrate and fund CHWs.

## Introduction

During the period of July 1 through September 30, 2013, FORSSAS submitted and received approval for the project's Year Two work plan. During the second year of implementation, the project will continue to focus on local engagement and alignment, performance management and strengthening national systems. Second year activities are based on the prioritized needs that the Ministry and USAID identified and build on the successful outcomes and innovative approaches to date.

### 1.1 Project Background

FORSSAS is a five-year USAID project awarded to Deloitte Consulting, LLP in July 2012. The purpose of FORSSAS is to provide technical assistance to the Government of the Republic of Mozambique (GRM) to address constraints to the health and social welfare system to ultimately improve health outcomes.

The key result areas for FORSSAS are:

- 1. Effective governance:** Increased effectiveness in health governance to achieve a more responsive, participatory, transparent and accountable health system through improved planning management and budget execution;
- 2. Integrated finance:** Improved health public financial management for integrated services to ensure rational allocation of resources, increased GRM investment, ongoing support through external funders like Global Fund, and maximized health impact;
- 3. Sustainable operations capacity:** Improved skills, knowledge and tools in finance, governance, and human resource management to improve service delivery at central, provincial and local levels; and
- 4. Strengthened human resources management and increased retention of health and social welfare staff:** Specifically strengthened institutional capacity to plan, distribute, retain and train health managers, CHWs, and social workers.

This report describes the project's accomplishments, challenges faced, and successes from July 1 through September 30, 2013.

### 1.2 Recent Expenditures

A separate document outlining recent expenditures, the Quarterly Financial Report, is attached.

## 2. Progress, Challenges, and Upcoming Activities by Intermediate Result

This section provides an overview of the project's progress in each of the four Intermediate Results (IRs), including challenges experienced and plans for the upcoming quarter.

### 2.1 Intermediate Result 1: Increased Effectiveness in Health Governance

Through implementation of IR 1, the project supports MISAU and USAID strategic goals to strengthen capacity within procurement, internal audit, and financial management. IR 1 includes CMAM and UGEA procurement strengthening components.

### 2.1.1 Current and Cumulative Progress

#### Support the Directorate of Administration and Finance's (DAF) financial management, procurement, and governance capacity

During the quarter, FORSSAS submitted the Financial Operations Manual for the central level to DAF and Ministry leadership. With two DPS offices, Zambezia and Nampula, FORSSAS completed mapping of provincial-level financial management processes to identify needs for the provincial level Financial Operations Manual. DAF also approved mapping of financial management processes for a third province, Maputo Province, and scheduled the mapping for next quarter.

The project made considerable progress toward development of a training plan to increase MISAU staff knowledge in the area of central-level financial management SOPs. Training on the concepts and standard procedures in the Manual is a key component of the PARI. Financial management and supervisory staff of Ministry directorates will receive the training in early 2014. Material from the Finance Operations Manual will support the four courses including:

1. General awareness and socialization of key governance and financial issues for senior MISAU leadership;
2. Financial management procedures course for DAF and General Inspector staff;
3. Introductory planning, budgeting, execution and accountability concepts for health program teams; and
4. Planning, budgeting and financial management for cost center financial management and accounting teams.

To assist DAF to monitor its own performance, FORSSAS supported the identification of five key performance indicators (KPIs). The collection, monitoring and analysis of this data will support DAF to take evidence-based action for performance improvement.

#### Support CMAM supply chain governance

FORSSAS continued to collaborate with the CMAM Internal Audit (IA) team to complete annual audit plan activities. The project supported provincial audit visits to measure compliance with drug management procedures. With FORSSAS support, IA conducted 35 visits in seven provinces.

Continuing development of the IA database, the FORSSAS team finalized the reporting template, automated visual displays (e.g. graphs) and continued to improve the software to simplify data entry and streamline the reporting processes. FORSSAS staff mentored CMAM on presenting, analyzing and using IA data and semi-annual reports.

The IA team faces the risk of a continuously expanding scope. In 2014, IA will be expected to introduce central level audits into their annual plan. To support this expansion, FORSSAS developed a human resources tool that models level of effort and number of personnel required for current and future audit scenarios. The tool provides an evidence-based platform from which IA can advocate for resources and/or justify activities. IA is in the process of validating estimates used in the tool so it can be introduced into the planning process.

The FORSSAS team also worked with CMAM to complete a risk register, draft the IA Charter and facilitate initial discussions to create an audit committee.

### **Support to CMAM financial management**

FORSSAS continued to focus CMAM financial management support in the area of performance management. The project supported the collection and analysis of key indicators, showing steady improvement in payment lead times and compliance with payment controls.

FORSSAS rolled out the e-SISTAFE system and in doing so supported the PARI goal of budget authority decentralization. System data also contributed to the analysis of the department's workload. The findings of the workload analysis will help to more efficiently distribute activities across sector staff.

FORSSAS also began to address improvement of cross-sector collaboration in archiving documents and communicating regarding customs-clearance payments. Both of these efforts improve the transparency of financial management processes at CMAM and also address greater organizational integration.

### **Support CMAM's procurement capacity**

The project team collaborated with CMAM to help develop a revised organizational structure and implement intermediary management tools. The team submitted final versions of the procurement SOPs to the CMAM Procurement Head who approved and forwarded to the CMAM Director for institutional approval.

The FORSSAS team provided advisory support to develop quality assurance tender documentation. The Permanent Secretary approved future-state procurement organizational structure and terms of reference that resulted from the workload analysis, a critical step toward a new organizational structure. User and internal testing was completed on the Procurement Information Management System, leading to modifications based on testing results and standard reports to improve the department's management toolkit.

### **Support CMAM to establish a monitoring and evaluation (M&E) unit and effectively manage performance**

The project team discussed current M&E activities and a vision for the future state with CMAM counterparts. Moving forward, stakeholders reached consensus that FORSSAS will: facilitate the transition of current M&E activities to the new sector staff; move the unit toward a larger focus on performance management; and support identification of CMAM Operational Plan (*Plano de Accao*) indicators for 2014. The team initiated a high-level analysis of existing indicators, mapping these indicators to supply chain best practices and beginning to identify potential gaps and redundancies. FORSSAS considered organizational information needs in this process by using data collected from general interviews with CMAM's Distribution and Planning teams.

### **Support CMAM in organizational planning, coordination and business process improvement**

This quarter, FORSSAS supported a number of strategic, operational and tactical activities to strengthen CMAM as an organization. The FORSSAS team facilitated the development and approval of the Strategic Plan for Pharmaceutical Logistics (*Plano Estratégico da Logística Farmacêutica*, or PELF). This is an overarching plan that will guide the sector for the years to come, including achievement of CMAM's mission and vision. The project facilitated the PELF approval process through advocacy with National Directors and the Permanent Secretary, including presentation of PELF benefits. The approval of the PELF enables CMAM to produce a revised operational plan and associated costing. The PELF will guide reforms to improve the efficiency of CMAM.

FORSSAS also developed the strategy and supporting material for the approval of the organizational statute (*Estatuto*). The *Estatuto* provides an organizational model and internal policies that align with future state improvements. This document contains charters for each unit within the organization. The

*Estatuto* is broad enough to allow some flexibility in terms of activities, roles and responsibilities; however, the document does require approval by several layers of GRM, including MISAU and the Council of Ministries (*Conselho dos Ministerios*).

The FORSSAS team also reviewed the current state organizational structure and functions to identify critical functions, roles, contracts and grants that could be realigned for improved efficiency and effectiveness in operational execution. This analysis will inform key decisions on organizational redesign.

The project team began to address a need identified and prioritized by CMAM to design control tools in the areas of planning, monitoring and indicators. These tools will help CMAM transition from reactive emergency management to proactive planning and structural management practices.

#### **Support UGEA's procurement capacity**

Aligned with the PARI, FORSSAS worked with UGEA to develop procurement guidelines for MISAU to address existing challenges identified by staff. Challenges result from incomplete or missing information for procurement requests, requiring additional time for UGEA to clarify or obtain the information from the submitting directorate and delaying the start of the procurement process. Examples include unclear technical specifications, missing approved funding source, no link to PES or justification, and missing jury member recommendations. To address these challenges, the team developed a detailed checklist listing the requirements for submitting a procurement request with a description and example listed for each requirement. The team communicated the development of the checklist to all MISAU directorates to increase awareness and help alleviate challenges.

Aligned with the PARI, FORSSAS worked with UGEA to develop procurement guidelines for MISAU to address existing challenges identified by UGEA staff. The guidelines were approved by the Permanent Secretary, Procurement Special Advisor and UGEA Head and were distributed formally to all MISAU Directorates.

The team continued to monitor the status of tenders and worked with UGEA counterparts to address outstanding issues and delays in this process. To help address these issues, the team provided on-the-job training for evaluating expressions of interest and negotiating contracts. FORSSAS also obtained UGEA Department Head approval for continued support to improve the hard copy and electronic archiving system and data sharing protocol.

#### **Support to MISAU and MMAS in democracy and governance in Sofala province**

FORSSAS advisors conducted a current-state analysis of participatory governance in Buzi and Caia districts in Sofala province. The team introduced the project and held stakeholder interviews with civil society organizations (CSOs) and government officials at the district, provincial and national levels. Work stream activities will focus on: contributing to the improvement of processes and mechanism for participation in local governance; strengthening capacity of the community to participate in local governance; and reinforcing the capacity of the health and social welfare systems at the provincial and district levels to provide efficient service delivery and opportunities for community involvement.

### **2.1.2 Challenges Encountered and Solutions**

#### **Support DAF in financial management, procurement, and governance capacity**

Financial management is critical to strengthening the national health system. The project recognized the need for additional staffing to address the financial management needs identified and prioritized by MISAU. Accordingly, FORSSAS developed job descriptions and interviewed candidates for additional positions within DAF and CMAM to support GF financial management.

Limitations with MISAU's own financial management systems – such as e-SISTAFE – create constraints to financial management efficiencies. For example, many of the critical reports DAF uses for producing financial statements and indicator results are only available in PDF or combine many payments into a single database record. Meeting the requirements of externally-funded programs through e-SISTAFE entails a substantial amount of tailoring of the system and training of DAF staff. FORSSAS hopes to engage MB Consulting to identify e-SISTAFE functionality gaps and opportunities for optimal use. In the meantime, MISAU and DAF are expected to make a decision on the use of supplementary accounting tools to circumvent the limitations of e-SISTAFE until its functionalities are updated.

#### **Support to CMAM in supply chain governance**

Limited availability of CMAM's IA staff continues to make it challenging to provide technical assistance on an ongoing basis while completing the annual audit plan. The implementation of the IA HR tool will support IA in forecasting their personnel needs and designing an annual audit plan that is realistic given staffing constraints.

#### **Support to CMAM financial management**

Recruitment of a local staff member with competencies in e-SISTAFE operational functionality and public sector accounting presents a challenge to e-SISTAFE roll-out at CMAM. Due to a small pool of applicants, FORSSAS has not identified an appropriate candidate to support CMAM staff as they execute payments internally for the first time. FORSSAS will continue to consider candidates identified through concurrent project recruitment processes. In the meantime, FORSSAS is leveraging internal e-SISTAFE expertise to provide support.

Now that the e-SISTAFE system is functioning, users at CMAM are experiencing challenges in navigating the system because of constant connectivity issues with the GRM TDM network. Processing times are long, often requiring a shutdown of the system mid-activity. The Development Center of Financial Information Systems (*CEDSIF*) will attempt to improve network capabilities.

At an organizational level, it is still unclear how CMAM will treat revenues in e-SISTAFE. CMAM and MISAU leadership are discussing with the *Autoridade Tributária* and CEDSIF to determine whether CMAM revenues will be channeled through the Treasury Single Account and executed via e-SISTAFE. This uncertainty complicates efforts to decentralize revenue management at CMAM.

#### **Support CMAM's procurement capacity**

The approval process for information-sharing at CMAM may delay roll out of the Procurement Information Management System. The team will continue to use feedback shared during sector-wide meetings as a proxy for information-sharing.

Additionally, the approval of the future-state SOPs is required to proceed with implementation activities for future-state organizational structure. The SOPs have been approved by CMAM Procurement Head and institutional approval by CMAM Director may be delayed due to leadership's competing priorities. In response, the team is attempting to complete preparatory activities to allow for quick implementation once approval is received, and is also providing support to CMAM leadership to facilitate SOP review and approval.

### **Support CMAM to establish an M&E unit and effectively manage performance**

CMAM staff assigned to the M&E sector lack formal M&E or performance management training. To address this challenge, FORSSAS will work closely with CMAM counterparts to build capacity in these areas. This will include basic training, mentoring, technical assistance and SOP and job aid development.

### **Support CMAM in organizational planning, coordination and business process improvement**

FORSSAS may encounter the same timing problems with the *Estatuto* that were experienced with the *PELF* approval process. Delays could impact priorities and scheduled project activities. To mitigate risk, the project will apply lessons learned from working through the *PELF* approval process. This includes reprioritizing activities so that project productivity and efficiency is not lost.

Other risks include the availability of key CMAM staff and data. Business process coordination activities will require substantial data collection and discussions with key staff. Given that CMAM operates in a constant state of shifting priorities, key staff may not always be available. The FORSSAS team will remain flexible by scheduling meetings in advance along with the preparation of backup/secondary meetings to accommodate counterpart schedules.

### **Support to MISAU and MMAS in democracy and governance in Sofala province**

Recent security issues in Sofala will be discussed with USAID to determine whether they impact planned project activities.

## **2.1.3 Plans for Upcoming Quarter (October 1 – December 31, 2013)**

### **Support DAF's financial management, procurement, and governance capacity**

- Schedule and develop training materials for financial management courses, based on training priority areas
- Continue to develop the Provincial Finance Manual
- Continue performance management efforts at DAF based on five priority indicators
- Hire and onboard new Financial Advisor for the Global Fund

### **Support CMAM in supply chain governance**

- Continue IA database upgrades and mentoring on database use and reporting
- Validate and finalize risk register
- Start drafting tools for central-level audits and align current tools with provincial risks
- Elaborate IA terms of reference based on CMAM *Estatuto* and IA global standards
- Support development of 2014 IA Plan based on risk register and resource estimations
- Validate the HR tool with IA and use the tool to estimate resource requirements and plan for 2014 audit activities
- Begin documentation of SOPs for data collection, reporting and use of IA provincial data
- Maintain ongoing financial and technical support for IA audits

### **Support to CMAM in financial management**

- Prioritize recommendations from CMAM Finance workload analysis and begin to implement priority recommendations
- Continue recruitment of local staff for e-SISTAFE and public sector accounting support
- Continue fourth quarter data collection and complete comparative analysis with 2012 and 2013 data

### Support CMAM's procurement capacity

- Implement Procurement Information Management System, deliver training, and respond to user requests during post go-live phase
- Identify remaining skills gaps and develop training plan to address
- Roll-out future-state organizational structure following approval of future-state SOPs

### Support CMAM to establish an M&E unit and effectively manage performance

- Finalize mission and vision of the sector
- Finalize sector and individual terms of reference
- Recruit and hire Long Term Technical Advisor for CMAM Performance Management (FORSSAS staff)
- Facilitate strategic metrics review with CMAM leadership in order to support development of 2014 Plan of Action indicators
- Continue to support transition of M&E data collection, analysis and reporting responsibilities to new sector staff, including development of associated tools and training
- Identify a sector with which to pilot sector-specific performance improvement activities

### Support CMAM in organizational planning, coordination and business process improvement

- Support advocacy for *Estatuto* approval
- Begin data collection and business process activities to inform potential changes to CMAM's organizational and functional design

### Support UGEA in procurement capacity

- Continue to provide on-the-job training and develop training materials for the evaluation of bidder qualifications
- Transition UGEA M&E activities to department staff
- Calculate UGEA performance baseline for tender cycle times
- Support UGEA during Annual Procurement Planning process

### Support to MISAU and MMAS in democracy and governance within the health sector in Sofala province

- Hire and onboard officers and advisor
- Present initial scoping assessment findings
- Finalize and implement activity work plan

## 2.2 Intermediate Result 2: Improved Management of Health Sector Financing

FORSSAS is supporting MISAU to develop Mozambique's first health financing strategy to expedite progress toward universal coverage. This strategy will propose mechanisms to collect, pool and finance efficient and equitable health services, and will provide an overarching framework for health financing activities. Current activities relate to resource tracking, resource planning and allocation and innovative financing. Notable achievements this quarter include finalizing the health financing roadmap, establishing a technical committee to drive National Health Account (NHA) data collection and developing standard tools and procedures for budget monitoring and oversight.

## 2.2.1 Current and Cumulative Progress

### Develop and execute a national health financing strategy

FORSSAS shared a draft of the health financing roadmap and the Health Financing Taskforce terms of reference with partners including the World Health Organization (WHO), World Bank and UNICEF. The team then incorporated comments from partners and presented an updated draft to the Directorate of Planning and Cooperation (DPC).

### Support and institutionalize NHA and other resource tracking and utilization activities

FORSSAS supported the WHO during a week-long Systems of Health Accounts workshop. The workshop included topics such as the revised NHA methodology and use of the health accounts production tool. Eighteen participants from across the sector attended. Previous technical assistance provided a foundation for easily identifying and aligning health financing schemes in Mozambique with new Systems of Health Accounts classifications.

Following the workshop, participants convened a technical committee to develop a data collection plan. The group assigned responsibilities for data collection to representatives from each participating institution, targeting initial data collection for 2014.

### Support for resource planning

Supported by input from DPC counterparts, the FORSSAS team completed a document outlining roles, responsibilities and processes for routine oversight of budget execution and related program implementation linkages. The team supported development of draft tools for budget monitoring reports and recommended updates to MISAU's Treasury Plan data collection tools. Project recommendations focused on simplifying procedures and tools to support DPC to use the most appropriate source for official budget execution data.

### Support for performance-based financing (PBF)

FORSSAS, in partnership with Elizabeth Glaser Pediatric AIDS Foundation, supported a three-day, MISAU-led PBF workshop (August 19-21, 2013). During the workshop, DPC discussed evidence needed to inform the development of a national PBF policy. In addition, implementing partners presented findings from PBF pilot projects, and participants visited clinics that are currently implementing PBF. FORSSAS contributed to writing and reviewing the PBF conference summary report and will continue to explore potential areas of collaboration with all partners.

## 2.2.2 Challenges Encountered and Solutions

### Develop and execute a national health financing strategy

Convening the taskforce and ensuring that MISAU, partners and other relevant stakeholders stay on target will be critical to moving the health financing strategy forward. The project is hiring a local health economist to provide technical and managerial expertise that should facilitate this process.

### Support and institutionalize NHA and other resource tracking and utilization activities

Despite being a key priority in both the PES and the PESS (with multiple trainings conducted to improve understanding of NHA), the activity remains partner-driven. Engagement within DPC is low as only one DPC staff member has been dedicated half-time to the activity. The team is otherwise led by a FORSSAS Advisor embedded within DPC. This ownership model detracts from institutionalization. Without MISAU support, the exercise will lack credibility; as observed in other settings, members of the Technical Committee will be reluctant to provide/collect data.

MISAU and WHO have expectations that the NHA exercise will be completed by March 2014. This timeline will likely be delayed. A preliminary review of 2008 INE household expenditure questions revealed gaps that may only be addressed if a new household survey is conducted. This could delay completion further. Additionally, MISAU requested further analyses on vertical programs: HIV/AIDS, malaria, TB reproductive health, NCDs and NTDs. Data on these programs can be difficult to obtain; for example, relying on REO or e-SISTAFE is not an option as data are not typically organized by disease within these systems.

#### **Support for resource planning**

The FORSSAS team is helping MISAU leadership understand the resources and capacity required to carry out budget monitoring. DPC's vision for treasury planning and budget oversight focuses on individual activities rather than more simplified levels such as program areas. The resources and capacity required to effectively implement financial oversight at the activity level are considerable and present major challenges to implementation. DAF and Cost Center teams will be actively engaged to inform decision-makers on system and human capacity to implement routine budget monitoring procedures. Routine budget oversight will not seek to replace programmatic monitoring executed by the Department of Monitoring and Evaluation but will instead be complementary.

#### **Support for PBF**

At this time, MISAU does not consider PBF a major priority. Collating experiences and lessons learned, possibly in the form of a PBF registry, may provide context and increase interest in the area.

### **2.2.3 Plans for Upcoming Quarter (October 1 – December 31, 2013)**

#### **Develop and execute a national health financing strategy**

- Convene Health Financing Taskforce
- Define timeline and roles and responsibilities for Taskforce members
- Complete Taskforce Phase One: Define mission, vision and guiding principles

#### **Support and institutionalize NHA and other resource tracking and utilization activities**

- Convene regular meetings of the Technical Committee, led by MISAU
- Schedule next Steering Committee to provide updates on recent changes and new roles/responsibilities
- Explore usability of existing household survey data and consider possibilities to tie household expenditure questions to an existing, ongoing survey

#### **Support for resource planning**

- Summarize financial oversight options for DPC leadership
- Present and discuss options and develop an action plan for the preferred financial oversight approach

#### **Support for PBF**

- Discuss potential specifications of a "PBF registry" with MISAU
- Participate in the PBF working group

## 2.3 Intermediate Result 3: Strengthened Management and Operations Capacity

FORSSAS is strengthening MISAU's management and operations capacity by supporting its Global Fund Unit (GFU), Department of Projects and Department of M&E to improve planning and performance management processes.

### 2.3.1 Current and Cumulative Progress

#### **Improve capacity in Department of Projects through the institutionalization of financial management, procurement and M&E procedures to meet donor requirements (with focus on the Global Fund)**

On July 5, 2013 the agreement for the Global Fund Transitional Funding Mechanism (TFM) for Tuberculosis Round 7 and the initial disbursement for the Health Systems Strengthening Round 8 grant were signed. The initial disbursement for the Round 8 grant totaled 1,563,887 USD. This disbursement represents continued progress in the area of sustaining external funding to the Ministry and sustained capacity of the GFU to manage this funding. Related to Global Fund grant implementation, the GFU with support from FORSSAS oversaw the completion of the Financial Control Plan; development of training plans for several directorates; and submission of the budget to the Ministry of Finance. FORSSAS also supported MISAU's malaria and tuberculosis programs in finalizing the performance framework for future Global Fund grants.

FORSSAS developed a condition tracker that will help the GFU monitor the achievement of Global Fund grant conditions and follow-up with the responsible parties. The tool also functions as a high-level work plan and summarizes condition achievement by program. The team also developed a basic job aid to assist in Progress Update and Disbursement Requests (PUDR) completion. Within each cell of the PUDR, the job aid includes guidance on the source of the data. These tools can help enforce processes and preserve institutional knowledge about the Global Fund reporting process following the transition away from technical assistance in December of this year.

In addition to tools developed, the team facilitated the development and delivery of training for programs involved in Global Fund grants. The training covered performance-based funding, the new Global Fund funding model, the Round 8 grant and PUDRs, roles and responsibilities within the Global Fund reporting process and collaboration between the GFU and grant implementers within the Ministry. The training was attended by program staff with additional representation from CMAM and the Department of M&E and was delivered by GFU staff with support from FORSSAS.

The Ministry overall, but specifically DPC, lacks a tool to facilitate document management among Ministry staff. This gap results in a lack of institutional knowledge as well as disorderly processes for data storage and verification. To address this gap, the FORSSAS team proposed piloting an open-source document management tool with two to three DPC Departments. During the quarter, FORSSAS developed an open source software selection plan and document management software requirements. The requirements are currently under review by the M&E Department Head and will also be discussed with the DPC Department Head.

#### **Strengthen Department of M&E at MISAU**

The information flow for the preparation of the *Balanco do PES* (PES progress report) is not well-defined, and the lack of documentation and clarity results in non-standard processes and a chaotic environment at the end of each reporting cycle. Accordingly, the 2013 PES requires that DPC define the M&E structure of the health sector. This includes identifying the upward and downward flow of data and

information in the system and producing a document that defines this structure and associated roles and responsibilities, to be approved by the Ministry and distributed throughout the sector.

In order to support this activity, FORSSAS facilitated initial discussions with central-level M&E focal points and with the DPS in Maputo Province to explore constraints that impede the flow of sector information. The team identified the following challenges related to information flow in the health sector:

- Challenges with registration at the hospital and facility level affect ability to submit high-quality data
- Delays and inconsistencies in data and information submission from the facility level impair the ability of districts and provinces to submit high-quality data to DPC in a timely manner
- Parallel information flows exist among reporting systems and directorates
- Outstanding confusion exists in the area of indicator definition and roles and responsibilities in reporting
- Majority of time is spent on data collection instead of evaluation
- Low capacity for data analysis and interpretation, including within DPC
- All M&E tasks of the sector are not aligned
- Staff are often moved around by the directors to other parts of the organization, which makes it harder to retain capacity for M&E

Related to M&E structure definition, FORSSAS developed a draft terms of reference, at the request of the M&E Department Head, to provide refresher training in basic M&E concepts for central-level focal points.

During the quarter, FORSSAS also continued to support strategic M&E activities within the sector. The team began to support revision of the terms of reference for the next Annual Joint Evaluation of the Health Sector (ACA XIII). In addition, a number of presentations were prepared for National Meetings (*Conselho Coordenadores* and *CCS*), including an analysis of the Performance Evaluation Framework (*Quadro de Avalicao de Desempenho*, or QAD) health sector indicators comparing 2012 and 2013 achievement and presentations on data quality verification, aligning the 2014 PES and the recently approved Strategic Plan of the Health Sector (PESS 2014-2019) and monitoring the PARI. FORSSAS also completed an initial review of the M&E section of the PESS, including the final table of PESS indicators of impact and outcome.

### **2.3.2 Challenges Encountered and Solutions**

#### **Improve capacity in Department of Projects through the institutionalization of financial management, procurement and M&E procedures to meet donor requirements (with focus on the Global Fund)**

Gaining the trust of the Global Fund to continually make disbursements to MISAU is an ongoing challenge; submitting timely responses to the Global Fund conditions helps to build this relationship. Additionally, the preparation of demand plans for pharmaceutical procurement presents an ongoing challenge. The technical specifications and quantification of goods to be procured are not always received timely from beneficiaries. The challenge persists because of a misalignment between the budget, monitoring matrix and the procurement plan. The challenge is exacerbated by a lack of staff dedicated to quantification. The training course conducted during the quarter intended to improve collaboration and communication between the GFU and the Global Fund grant implementers.

The transition of FORSSAS support away from the GFU continues to be a main focus of the IR 3 team. The team is working to mitigate risks of this transition by developing tools and training for GFU staff. The team continues to support the hiring of GFU staff funded by the Round 8 grant. Proposed staff include three Procurement Specialists, one UGEA Specialist and one Finance Specialist. Successful hiring of staff will depend on the availability of skilled professionals as well as the use by MISAU of the DRH recruitment system and processes.

#### **Strengthen Department of M&E at MISAU**

Moving forward, FORSSAS will advise the DPC Department Head of any short-term technical support and scope of that support prior to the arrival of advisors in country. Proactive notification will help to increase transparency and reduce activity delays.

The Department of M&E works within the constraints of the current health management information systems. System weaknesses may affect the quality of data reported or the ability to retroactively collect data.

Without strong leadership from the Ministry and support from health partners to adopt a national list of indicators and targets, requests to add new, vertical indicators will continue to severely limit the ability to collect, assure, analyze and use data.

### **2.3.3 Plans for Upcoming Quarter (October 1 – December 31, 2013)**

#### **Improve capacity in Department of Projects through the institutionalization of financial management, procurement and M&E procedures to meet donor requirements (with focus on the Global Fund)**

- Finalize and implement transition plan for GFU activities receiving FORSSAS support
- Validate document management pilot plans and software requirements with DPC Department Head and M&E Department Head
- Evaluate 3-4 document management tools and identify best fit given DPC requirements
- Support management of active Global Fund grants and disbursements, including clarification on Round 9 Phase II grants, request for Round 9 Phase II disbursement and requests for second-line tuberculosis drugs
- Provide technical assistance to experts in the areas of PSM quantification, forecasting needs, updating supply plans and coordination and management of GFU processes

#### **Strengthen Department of M&E at MISAU**

- Complete additional discussions with DPC, MPD, UEM and INE regarding data and information flow within the health sector
- Facilitate communication between DPC staff (specifically DIS and M&E Department Heads) and CMAM staff regarding data collection through the Logistics Management Information System (LMIS)
- Finalize M&E training proposal for central level focal points
- Finalize information flow documentation
- Participate in supervision visits to assist provinces in harmonizing PES 2014 and elaborating the Medium Term Expenditure Framework
- Adapt the data quality verification protocol to ACAXIII terms of reference and elaborate the proposal for the thematic area to be investigated
- Support the elaboration of the 9-month progress report of the health sector

## 2.4 Intermediate Result 4: Strengthened Institutional Capacity to Improve the Management, Budgeting, and Performance of Key Health and Social Welfare Staff

Accessible and qualified human resources are critical to sustain gains in strengthening the national and social welfare systems. IR4 activities support better health outcomes through increased availability of qualified health and social welfare workers at all levels of the system. Activities completed this quarter include ongoing progress in social welfare worker curricula development, CHW trainings, and the presentation of a gap analysis on institutional capacity at the provincial level. IR 4 activities are directly linked to national policies and strategies such as MISAU's National Plan for Health Human Resources Development (2008-2015) and the Human Resource Strategy for MMAS.

### 2.4.1 Current and Cumulative Progress

#### Strengthened HMA Twinning Program

The submission of concept papers to USAID's Health Management and Administration Education Twinning Program is complete. After finalizing the twinning institution, FORSSAS will work with USAID, the *Instituto Superior de Ciências de Saúde* (ISCISA) and the selected institution to formalize the relationship.

#### Integrate and coordinate Community Health Worker (APE) Program

MISAU made progress in terms of visible commitment to the APE Program and its sustainable financing. The FORSSAS team is collaborating with MISAU to increase efforts to strengthen health systems and overcome bottlenecks in areas essential to the success of the APE Program including procurement, logistics and financial management.

By the end of this quarter, a cumulative 2,149 APEs completed their training (including 169 from this quarter and 936 from this calendar year) with overall losses of only 45 APEs. This low 2% loss shows that overall APEs are motivated to carry out their role. There was a decrease in the percentage of women graduates from 33% in the previous period to 24% in this calendar year. We believe this is due to the incorporation of pre-existing APEs into the program who were primarily men.

A large advocacy event was held in August 2013 and attended by the Minister of Health with the presence of the Dutch Ambassador, the Health Partner's Group, USAID, UNICEF, World Bank and FORSSAS. The Minister's speech included mention of willingness to pay APEs through ProSaúde in the medium term, should funds be available, and urged donors to fulfill their financial commitments.

In the process of operationalizing World Bank (HSDP Project) approval to pay APE subsidies in three Northern provinces, the Permanent Secretary became involved and MISAU and the Ministry of Finance reached agreement to pay APEs through e-SISTAFE in 2014 and, exceptionally, through the NHS through the end of 2013.

The M&E Working Group completed the revision of monitoring instruments resulting in tools that are simpler, clearer and physically smaller. Consumption of malaria tests and treatment can now be collected and gender differentiation was added. Categories of prevention, promotion and curative activities were clarified and definitions added where unclear. The revised instruments will be submitted to DPC/DIS to incorporate select indicators into the National Health Information System. Leveraging support from other APE Program partners has resulted in two additional M&E staff, to be hired by the RAcE project. FORSSAS will assist in orientating and managing the new staff.

### **Strengthen and support sustainability of educational programs with MMAS**

The second semester of competency-based pilot courses under the Ministry of Women and Social Welfare (MMAS) at the *Instituto de Ciências de Saúde de Maputo* (ICSM) is in progress. The courses include 30 new students under the Social Welfare Technicians (Level 5) program and 25 students under the new Early Childhood Educators (Level 4) program. All the Level 4 Early Childhood Educator students are continuing their education from the previous year's Level 3 program. The group of 55 students that began the courses in February 2013 will graduate in December 2013.

The Early Childhood Educator Technical Working Group continued to develop the required curriculum package for the Level 4 program in coordination with the Integrated Program for the Reform of Professional Education. The group focused on guidelines for professors.

FORSSAS began actively participating in the Social Welfare Partners Group that consists of donors that support MMAS and the National Institute of Social Welfare. The project's participation in the group allows for synergies between partners and leverages lessons learned and investments in the social welfare system.

### **Increase the Capacity of the Provincial Directorate of Woman and Social Welfare (DPMAS)**

The team presented the findings of an institutional capacity gap analysis to the MMAS *Conselho Técnico* and USAID. The analysis was based on a maturity model exercise that validated the capacity of the DPMAS' in Sofala and Niassa in key areas including planning, budgeting, human resources and data management. The analysis, completed in collaboration with provincial directors, and the resulting action plan, will address critical capacity gaps.

In an effort to decentralize the social welfare and early childhood education courses to the provincial level, the project team met several local educational institutions to determine their level of interest and capacity. FORSSAS presented a strategy to implement provincial-level trainings to the *Conselho Técnico*. Trainings are proposed with support from the Training Institutes in Public and Municipal Administration (IFAPA) and the training institutes of Beira and Lichinga.

### **Strengthen and Support MISAU Human Resources Integrated Planning Process**

This quarter FORSSAS heavily supported the creation of the 2014 human resources budget, strengthening the quality of supporting documentation and creating templates to be used in future planning cycles. For each budget line item, detailed documentation was created, disaggregated by directorate, province, district, career level and occupation. The team spent significant time focusing on data quality, identifying anomalies, cleaning and correcting data, and working with data owners to understand the weaknesses in their data and systems. To improve future planning cycles, the team designed templates for data collection, which will be used and tested throughout the upcoming year. These templates will standardize data across the central, provincial and district levels and make such data available on a regular basis.

Additionally, FORSSAS worked with the Directorate of Human Resources (DRH) to create a detailed internal PES for 2014 and aligned this plan to the 2014 budget with a costing exercise. FORSSAS supported the creation of the draft Absorption Plan and began training the provinces on the Placement Plan methodology. In September 2013, FORSSAS participated in the National Technical Meeting in Nampula with the Provincial HR Department heads to discuss the topics of planning, data quality, placement and absorption.

## 2.4.2 Challenges Encountered and Solutions

### **Integrate and coordinate APE Program**

The project must continue efforts to operationalize planning and management of the state budget. Otherwise, the risk of complex and burdensome financial management will continue to threaten the possibility of future large-scale expansion. FORSSAS is collaborating with the National Program Coordinator to recommend activities to address this concern.

Payment of APEs through e-SISTAFE involves all APEs having NUIITS and bank accounts which has been extremely challenging. To date, only 20% of APEs have bank accounts and only 17% have NUIITS. Coordinators are urged to organize mass registration to streamline the process.

Challenges continue with APE kit procurement and distribution. FORSSAS is supporting increased coordination to address these gaps through dialogue with UGEA and CMAM.

### **Strengthen and support sustainability of educational programs with MMAS**

The project is scheduling a meeting with the Permanent Secretary and MMAS to reach consensus on Year Two activities. MMAS is working with PIREP to acquire certification for the students who graduated from the pilot program in 2012. At the same time MMAS is exploring harmonization of the new qualifications and the existing career system. Stakeholder discussions with Public Administration, the Administrative Tribunal and PIREP are ongoing. This harmonization will help to ensure that the newly-acquired skills of students are credible and recognized in the national system.

### **Increased Capacity of DPMAS**

The project will hold a meeting next quarter with the Permanent Secretary and USAID to determine prioritized activities and regions for decentralization. The timeframe for reaching this consensus will impact the implementation of activities. There is hesitancy from the central level to decentralize. In response, FORSSAS continues to communicate the benefits of decentralization.

### **Strengthen and Support MISAU Human Resources Integrated Planning Process**

A major challenge encountered this quarter was communication between DRH and the provinces. During the budget planning process, DRH requested information from the provinces repeatedly only to receive incomplete, inconsistent and, at times, incorrect data. Feedback from the provinces revealed that DRH often sent the requests on very short notice and without sufficient instruction. FORSSAS, in collaboration with DRH, BTC and Jhpiego, created data collection templates to combat these issues, especially completeness and consistency. Furthermore, the project planned several follow-up meetings with the provinces for next quarter to address these issues.

There was a major change in the leadership structure of DRH this quarter. The HR Director was chosen as the new Inspector General of MISAU and therefore left his position in DRH. One of the Deputy Directors temporarily assumed his role and the directorate is operating normally. However, with the arrival of a new director, there is always the possibility of major changes. This is simply a factor to monitor going forward. As yet, no new candidates have been identified.

### **2.4.3 Plans for Upcoming Quarter (October 1 – December 31, 2013)**

#### **Strengthened HMA Twinning Program**

- Activities will be determined and defined after the selection of twinning program partner by USAID

#### **Integrate and coordinate APE Program**

- National APE Meeting was approved by the Minister, but is pending an available date as the Department is prioritizing meeting for Adolescent Health and Malaria.
- Intra-FORSSAS collaboration is planned to resolve bottlenecks related to:
  - CMAM: Medicines procurement and distribution
  - UGEA: Training Materials and Work Kits
  - DPC/DAF: planning and payment of subsidies
  - DPC/DIS in selecting National indicators

#### **Strengthen and support sustainability of educational programs with MMAS**

- Oversee MMAS and PIREP's certification of the first round students that graduated in December 2012
- Oversee the ICSM courses for Early Childhood Educators and Social Welfare Technicians
- Finalize teaching guidelines for the Level 4 EI course with the local technical working group and submit to MMAS for review and approval
- Start to develop one additional medium-level competency-based curriculum package for the Social Welfare Technician course
- Support MMAS to create a pre-test for the next class of students for 2014 courses

#### **Increased Capacity of DPMAS**

- Advertise for local positions to drive capacity building activities at the provincial level
- Continue collaboration with the targeted DPMAS' and develop their work plans
- In partnership with IFAPA, start to develop the training plan for capacity building courses for targeted DPMAS staff
- In partnership with PIREP, plan and implement three-week training of trainers for the professors of the targeted provinces
- Support costing and budgeting of activities within DPMAS provinces

#### **Strengthen and Support MISAU Human Resources Integrated Planning Process**

- Test data collection templates with the provinces and further integrate the use of these templates in the planning process
- Support the revision of the Absorption Plan, integrating feedback from the working group and researching financing trends within MISAU
- Support MISAU and provinces in creating their staffing plan for the next five years
- Continue to support provinces on use of the Placement Plan tool so they can create a five year placement plan in 2014

### 3. Performance Monitoring Progress, Challenges, and Upcoming Activities

#### 3.1 Current and Cumulative Progress

As discussed in the project Performance Monitoring Plan (PMP), it is necessary for the project team to review and update the contents of the PMP and indicator matrices from time to time, to ensure that all components remain valid and current given project progress. Accordingly, the team revisited the PMP at the beginning of project year two. The project team added and removed certain indicators and amended others, given progress of activities and knowledge gained over the first year. The amendments are outlined in detail in the revised version of the PMP, submitted in conjunction with this quarterly report.

#### 3.2 Challenges Encountered and Solutions

In some cases, challenges encountered during year one regarding project data collection led to the above-mentioned revisions to the project PMP. For example, revision of financial management indicators was spurred in part due to unreliable and inconsistent data sources.

#### 3.3 Plans for Upcoming Quarter (October 1 – December 31, 2013)

- Finalize baselines for new indicators and Year Two targets

### 4. Success Stories

#### 4.1

#### **Financial system implementation supports greater autonomy and improved access to pharmaceuticals by the Mozambique Ministry of Health**

To date, FORSSAS has initiated multiple activities to support the execution of CMAM's \$52M USD annual budget. Activities to decrease payment processing times and assure appropriate supporting documentation contribute to the responsible and transparent management of funds. In July 2013, CMAM achieved a major milestone toward more efficient budget execution when it installed an Integrated Financial Management Information System (IFMIS), known as e-SISTAFE.

FORSSAS played key roles in the procurement, installation and onboarding of the computer-based budgetary planning and payment system. The e-SISTAFE system will grant CMAM greater financial autonomy to purchase life-saving commodities. The system will also enable the improvement of other financial processes at CMAM.

In part due to the e-SISTAFE installation, payment processing times for procured pharmaceuticals are

*"The roll-out of e-SISTAFE is a milestone for CMAM, and will make us more accountable for the funds that we manage."*

*-CMAM Finance Sector staff member*



*MOH Finance Director, CMAM Director and USAID Mission Director recognized the e-SISTAFE installation at a ribbon-cutting ceremony on July 25, 2013.*

Photo Credit: FORSSAS Project

expected to decline, potentially reducing the procurement time by up to 25 days.<sup>1</sup> Costs will be reduced through timelier payment of suppliers and reduced importation fees. These cost reductions will free funds for additional procurements of medicine, contributing to greater availability of medicines at health facilities throughout the country.

#### **4.2 FORSSAS helps support development of country-owned mechanism for financing community health workers and the services they deliver**

FORSSAS is also supporting the Ministry of Health develop sustainable funding mechanisms for the national CHW program. The project is working with the Ministry to develop a phased approach for sustainable financing. The proposed first phase uses the health sector common fund from donors to fund CHWs in the short term. This helps strengthen the national program and community level access to healthcare, while the Ministry establishes a longer term solution to finance the program and integrates the community health worker cadre into the state system.

In line with this approach, MISAU is collaborating with the Ministry of Finance to pay CHWs through e-SISTAFE using funds from the Mozambique Health Service Delivery Project. The project is working with the Ministry to address the challenges to integrating CHW payments into the electronic payment system. For example, many CHWs do not have bank accounts. The Ministry is working with CHWs to help them meet the basic requirements to receive electronic payments through e-SISTAFE.



*Community health workers gather for a round-table discussion*  
Photo Credit: FORSSAS Project

GRM and its partners are increasing their investment in the CHW program to strengthen the health system down to the community level, increase access to critical health services and ultimately improve health outcomes. Reliable CHW program financing mechanisms must be established to make long term gains in health outcomes. The Ministry of Health has successfully taken the initial steps to establish a long term approach to sustainably funding the program.

#### **4.3 Global Fund Round 8 Grant for Health Systems Strengthening Signed and First Disbursement Received**

On July 5, the agreement for the Transitional Funding Mechanism (TFM) for Tuberculosis Round 7 and the initial disbursement for the Health Systems Strengthening Round 8 grant were signed. The initial disbursement for the Round 8 grant totaled 1,563,887 USD. This represents continued progress in the area of sustaining external funding to the Ministry.

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<sup>1</sup> As estimated by analysis of payment processing data from 2012 and 2013

## 5. Lessons Learned

### 5.1 PELF approval offers foundation and acts as an engagement platform for supply chain management activities

National Directors approved the PELF during the quarter. The PELF is the overarching plan that will shape the strategic direction of the medical commodities sector in Mozambique during the upcoming years. The plan enables CMAM and the Ministry to address current challenges with sector logistics. It offers a foundation to guide improvement efforts, closely linked with FORSSAS supply chain management improvement activities.

FORSSAS staff helped to drive the approval of this document, which completed several rounds of review and submission before eventual approval. Working closely with MISAU stakeholders and donors, FORSSAS helped to incorporate feedback and push progress during each step of the process. After a coordinated advocacy effort, MISAU approved the plan. The entire development, review, submission and approval process demonstrates the power and potential of advocacy activities to enable continuous improvement. The process also offers an opportunity for early and ongoing engagement with counterparts that translates into local ownership and leadership.

### 5.2 Proactive notification to stakeholders increases transparency concerning the purpose of the technical assistance and reduces delays in implementation

Coordination of short-term technical assistance is an important part of the support that FORSSAS provides to MISAU. It is critical to ensure that proper communication concerning the scope of work and anticipated timeframe for advisors is provided to the specific stakeholders involved. Proactive notification to MISAU stakeholders of planned support will help increase transparency concerning the purpose of the short-term support and reduce activity delays that stem from uninformed stakeholders.

Additionally, it is important for the FORSSAS team to encourage communication between stakeholders at the provincial and national levels. Accurate and timely information is required for much of FORSSAS' work. The project observed a lack of timely requests and adequate instruction from the national level to the provincial level during the quarter. After becoming aware of the situation, FORSSAS began to monitor and address these issues, through collaboration with other organizations and the creation of data collection templates.

Many FORSSAS activities, such as the CMAM future-state organization structure and the CMAM *Estatuto*, require stakeholder leadership approval to move forward. While the FORSSAS team accounted for some delays in the approval process, continued delays due to competing schedules and priorities continue to threaten timely implementation. Lessons learned from the *PELF* approval process, combined with additional adjustments, will help the FORSSAS team to respond to approval timeline issues without major impact to project productivity or implementation efficiency.

## 6. Annexes

The Quarterly Financial Report for July to September 2013 is included as an annex.

## Appendix A: Indicator Measurement Matrix

IR	Ind. No.	Indicator Name	Baseline (Date)	Current Value (Jul-Sep '13)	Comments*
IR1	1	Prosaude audit recommendation resolution rate in the areas of intervention for FORSSAS (i.e. Financial management)	58% (2010)	N/A	Indicator reported annually; however, ProSaúde's 2011 audit data is not currently available
IR1	2	Payment processing lead time (Disaggregated by type of invoice: routine goods and services, also known as operational expenditures, or construction and equipment)	11.4 days (Operational expenditures) 38.3 days (Investments and capital purchases) (Sep-Nov 2012)	Data not available at this time	Due to challenges with existing financial management systems, the project team is still in the process of pursuing a representative sample for the period
IR1	3	# and Percentage of PFM strengthening actions met in the areas of intervention for FORSSAS (i.e. Financial management) disaggregated by area and level of priority	The data source of this indicator is no longer valid; an alternate indicator is proposed in the revised version of the project PMP, submitted with this quarterly report		
IR1	4	Number of site audits conducted by CMAM DAI (Cumulative)	30 (Dec 2012)	109	The figure cited is a cumulative figure; 35 site audits were completed during the reporting period
IR1	5	Number of procurement SOPs developed (Cumulative)	0 (Dec 2012)	16	
IR1	6	Placeholder: Indicator to measure support for UGEA	TBD	See comments	An indicator is proposed in the revised version of the project PMP, submitted with this quarterly report
IR2	7	% of Health expenditure execution compared to original approved health budget	87% (2012)	46% (Jan-Jun 2013)	Information is provided retroactively from the January – Jun 2013 Report on Budget Execution; data on July to September will be available next quarter

IR	Ind. No.	Indicator Name	Baseline (Date)	Current Value (Jul-Sep '13)	Comments*
IR2	8	<p>Health Financing Strategy Implementation Plan Documented/Implemented (Ranked on a scale)</p> <p><i>Scale:</i></p> <p>0 = HFSIP does not exist and is not under development</p> <p>1 = HFSIP is under development but not yet approved</p> <p>2 = HFSIP is approved, but implementation has not begun</p> <p>3 = HFSIP is approved, implementation has begun, but is not completely effective</p> <p>4 = HFSIP is approved, implementation has been completed and repeatable, data outputs are used for decision making</p>	0 (Dec 2012)	1	A roadmap has been drafted and will shortly be reviewed by the MISAU
IR2	9	<p>Simultaneous NHA production and institutionalization (Ranked on a scale)</p> <p><i>Scale:</i></p> <p>1 = NHA team not been established and no institutional home for NHA</p> <p>2 = NHA team and institutional home for NHA have been identified; data collection has not commenced</p> <p>3 = Data sources and key stakeholders for the NHA process have been identified; discussions have commenced with the statistics bureau about collection of private sector data</p> <p>4 = NHA Steering Committee has been organized to support the NHA exercise and drive the demand for data</p> <p>5 = NHA institutionalization plan has been drafted</p>	2 (Dec 2012)	N/A	Reported annually

IR	Ind. No.	Indicator Name	Baseline (Date)	Current Value (Jul-Sep '13)	Comments*
IR2	10	<p>PBF approach, methodology and performance targets defined (Ranked on a scale)</p> <p><i>Scale:</i></p> <p>1 = PBF approach, methodology, and performance targets are not defined</p> <p>2 = 'Pilot' institution(s) are selected, and performance metrics for the institution are agreed upon with key stakeholders.</p> <p>3 = Based on inputs from key stakeholder, PBF approach and methodology are drafted.</p> <p>4 = PBF approach, methodology, and performance targets are presented and accepted by key stakeholders.</p> <p>5 = Detailed PBF action plan is developed.</p>	2 (Dec 2012)	2	
IR3	11	# and % of Condition Precedents (CPs) for GF disbursement and Management Actions (MAs) met for each period and disaggregated by area (Finance, M&E and PSM)	<p>15/29 (53%) (Jan-Sep2012)</p> <p><i>Disaggregation:</i></p> <p>Finance: 2/4 (50%);</p> <p>M&amp;E: 7/13 (54%);</p> <p>PSM: 6/12 (50%)</p>	N/A	Reported semi-annually
IR3	12	# and % Global Fund PUDRs (Progress Updates/Disbursement Requests) submitted on time	3 (33%) (Sep 11-Sep 12)	0 (0%)	

IR	Ind. No.	Indicator Name	Baseline (Date)	Current Value (Jul-Sep '13)	Comments*
IR3	13	Health Sector M&E Plan Implemented (Ranked on a scale) <i>Scale:</i> 1 = Health Sector M&E Plan is under development but not yet finalized and approved 2 = Health Sector M&E Plan finalized and approved, but not integrated within HMIS Strategic Plan 3 = Health Sector M&E Plan finalized and approved, integrated within HMIS Strategic Plan, but cannot at all levels be maintained without external support 4 = Health Sector M&E Plan finalized and approved, integrated within HMIS Strategic Plan, able to regularly maintain at all levels and produce usable outputs without external support	1 (Sep 2012)	1	
IR3	14	# and Percentage of districts submitting timely, complete and accurate Modulo Basico reports	31% (Jan-Sep2012)	50%	
IR4	15	Number of social workers and early childhood educators graduated from pre-service training program, disaggregated by sex and cadre	0 (Dec 2012)	55	This is a cumulative figure. Cadre disaggregation: Level 3 EI graduates: 25 Level 5 TAS graduates: 30
IR4	16	# of provinces/districts that submit monthly reports to the APES program at central level	60% (Oct-Dec 2012)	47%	A timeliness measure was added in June 2013 (data reports received before the 23rd of the following month); A completeness measure was added in July 2013 (reports that were received, but that did NOT include all Districts)

IR	Ind. No.	Indicator Name	Baseline (Date)	Current Value (Jul-Sep '13)	Comments*
IR4	17	<p>MMAS and government (MISAU, MPD, MF) has incorporated professional medium-level courses of social workers and child educators into their annual plan and budget (Ranked on a scale)</p> <p><i>Scale:</i></p> <p>0 = No courses budgeted in the annual plan  1 = Policy dialogue started  2 = Agreement exists between MMAS and other ministries, but no budget is available  3 = Plan approved and Budget available (state budget and external sources)  4 = The plan is implemented</p>	0 (Dec 2012)	1	

*\*Reporting frequencies will follow the lifetime of the project. For example, those indicators reported annually will be submitted at the end of each project year.*