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MOZAMBIQUE FORSSAS (HEALTH AND SOCIAL WELFARE SYSTEMS STRENGTHENING)

QUARTERLY TECHNICAL PERFORMANCE REPORT

JULY 16, 2012 – SEPTEMBER 30, 2012

October 30, 2012

This publication was produced for review by the United States Agency for International Development. It was prepared by Deloitte Consulting LLP.

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Prepared for:

USAID/Mozambique, Integrated Health Office

Prepared by:

Deloitte.

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Acronyms

APE*	Community Health Worker (<i>Agente Polivalente Elementar</i>)
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>)
DPC*	Directorate of Planning and Cooperation (<i>Direcção de Planificação e Cooperação</i>)
GRM	Government of Mozambique
HSWSS- FORSSAS	Health and Social Welfare Systems Strengthening
ICSM*	Health Sciences Institute of Maputo (<i>Instituto de Ciências de Saúde de Maputo</i>)
IR	Intermediate Result
M&E	Monitoring & 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>)
PIREP*	Integrated Program for the Reform of Professional Education (<i>Programa Integrado da Reforma da Educação Profissional</i>)
PMO	Project Management Office
PMP	Performance Monitoring Plan
USAID	United States Agency for International Development
USG	United States Government

*Acronyms in Portuguese

Executive Summary

The Health and Social Welfare System Strengthening Program (HSWSS-FORSSAS) – Fortalecimento dos Sistemas de Saúde e Acção Social (FORSSAS), led by Deloitte Consulting LLP, aims to strengthen Mozambique's supporting health systems related to Governance, Health Financing, Sustainable Operations Capacity, and Human Resources for Health. This report covers the progress made from the initial date of the award, July 16, 2012, to September 30, 2012. Most efforts in this opening period focused on project start-up such as the hire of 13 key staff members, administrative systems development and staff training, and design of program scope with counterparts at the Ministry of Health and Ministry of Women and Social Welfare. Concrete technical results were largely achieved where HSWSS-FORSSAS had existing staff in place (i.e. IR3 and IR4). Key impacts focused on integration of external donor projects and corresponding management requirements within national system mechanisms (e.g. provincial training for managing the World Bank project through national systems). Other outcomes include stronger institutional knowledge and capacity for the Ministry of Health in M&E, financial management, and procurement and supply chain (e.g. final draft of the Health Sector M&E Plan and successfully meeting all Global Fund planning and reporting requirements for the period). Fifty-five students continued their second semester at the Instituto de Ciencias de Saude de Maputo (ICSM) as a part of the Social Welfare Technicians (Level Five) and Early Childhood Educators (Level Three) certification program, which is scheduled to be completed in December 2012.

1. Introduction

1.1 Project Background

The Mozambique Health and Social Welfare Systems Strengthening Program (HSWSS-FORSSAS) is a five-year USAID project awarded to Deloitte Consulting, LLP in July 2012. The purpose of HSWSS-FORSSAS is to provide technical assistance to the government of Mozambique to address specific constraints hampering the health and social welfare system to achieve better health outcomes.

The key result areas for HSWSS-FORSSAS include the following:

1. **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. **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;
4. **Strengthened human resources management and retention of health and social welfare staff,** specifically strengthened institutional capacity to plan, distribute, retain and train health managers, GRM community health workers (APEs), and social workers.

This report describes the project's accomplishments, successes and challenges faced during its first (partial) quarter of July 16, 2012 to September 30, 2012.

The project foresees the continuation of some activities started under HS20/20 especially for the Intermediate Result 3, namely the provision of technical assistance for the operations at the Global Fund Unit, now belonging to the Department of Projects inside DPC. Under this objective, most of the progresses reported during this quarter build upon the previous project.

1.2 Recent Expenditures

A separate document is attached (Quarterly Financial Report)

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

This section provides an overview of Deloitte's progress in supporting each of the four Intermediate Results for HSWSS-FORSSAS, including challenges experienced and plans for the upcoming quarter.

2.1 Intermediate Result 1: Increased Effectiveness in Health Governance

2.1.1 Current and Cumulative Progress

Most activities in IR1 concentrated on project startup, transition from Health Systems 20/20, and initial programming with Ministry of Health counterparts. Initial meetings were held with Directorate of Administration and Finance (DAF) and the *Central de Medicamentos e Artigos Médicos* (CMAM) leadership, setting expectations for project objectives and the shift in approach from Health Systems 20/20 to HSWSS-FORSSAS.

2.1.2 Challenges Encountered and Solutions

Activities in IR 1 were limited in the initial two months of the project as the IR 1 lead has not yet joined the project.

2.1.3 Plans for Upcoming Quarter (October 1, 2012 – December 31, 2012)

- Define the Year One Work Plan for IR1 with colleagues from the MOH, USAID, and MB Consulting based on system strengthening needs illustrated in existing mechanisms such as the PFM Strengthening Plan, the Global Fund’s Inspector General Report, and the CMAM Operational Plan.
- Complete the hire of required, approved IR1 staff
- Finalize the teaming agreement with MB Consulting
- Engage the Permanent Secretary on activities with the *Unidade Gestora Executora de Aquisições* (UGEA)
- Arrange the STTA team for CMAM financial management activities and plan first trip

2.2 Intermediate Result 2: Improved Management of Health Sector Financing

2.2.1 Current and Cumulative Progress

Initial discussions were held with DPC’s Planning Department to discuss anticipated activities under HSWSS-FORSSAS and proposed project approach.

2.2.2 Challenges Encountered and Solutions

Activities in IR 2 were limited in the initial two months of the project as the IR 2 lead (also serving as Program Director) was only able to join the project in October 2012.

2.2.3 Plans for Upcoming Quarter (October 1, 2012 – December 31, 2012)

- Organize NHA team and decide upon a governance structure
- Organize NHA Steering Committee
- Provide comprehensive SHA 2012 Training to the NHA team
- Institutionalization workshop and work plan (December)
- NHA planning—decide upon governance structure (December/January)
- Identify data sources and key stakeholders in the NHA process
- Agree with Planning Department on objective and goals of PBF scheme and where it would be most effective
- Support establishment of a PBF unit within MISAU to support the implementation of a government-led PBF scheme
- Draft a PBF training work plan

2.3 Intermediate Result 3: Strengthened Management & Operations Capacity

2.3.1 Current and Cumulative Progress

During the quarter, the program increased buy-in for the transition by beginning discussions with DPC leadership to set expectations for project objectives. This was a critical step in shifting the approach from Health Systems 20/20 and laying a strong and clear foundation for HSWSS.

The program carried out activities related to grant applications and reporting, including

supporting the National Tuberculosis Control Program to develop the Transitional Funding Mechanism proposal to the Global Fund. This activity secured necessary medications for 2014 and 2015. The program supported DPC to submit clarifications response to the Global Fund Technical Review Panel regarding the Round 8 Health Systems Strengthening Reprogramming Request to support the national plans to strengthen the financial, supply chain, M&E and health management information systems (HMIS). It submitted the Progress Updates on programmatic indicators and supply chain status and Disbursement Requests for TB, HIV and Malaria Grants to the Global Fund (**total value of USD 51 Million**) and completed the clarification process with the LFA. Lastly, the program completed the processes for the registration on the State Budget (ON-Budget) of the health products received in year 2012 under the VPP (Voluntary Pooled Procurement) mechanism of the Global Fund.

The program also developed new tools and provided training in order to improve operations capacity. It supported the malaria program in pilot-testing new data collection instruments and began coordinating with DIS to incorporate them into the HMIS. The program assisted the World Bank Unit in developing training manuals on financial operations and guidelines for programmatic and financial reporting. Further, the program provided technical assist to the DPC's M&E Department in the area of finalizing terms of reference for the department and its staff, and finalizing the National M&E Plan. The program assured the plan's harmonization with other relevant plans (e.g., National HIV/AIDS M&E Plan, National Malaria Control Program M&E Plan), developing an associated action plan, and communicating the plan to each National Directorate.

Also this quarter, PSM plans for Malaria, HIV/AIDS and Tuberculosis were approved by the Global Fund and the training on Pipeline tool was organized together with SCMS to enable CMAM and MOH programs staff to understand data and use of the tool.

2.3.2 Challenges Encountered and Solutions

The functional and bureaucratic structure of the Ministry does not allow horizontal communication and coordination flow. Urgent decisions might be delayed because of the inflexible hierarchy. The coordinator should be able to easily reach the decision-makers whenever needed, as recommended also by the Report from the Office of Inspector General at the Global Fund (GF-OIG-final Report August 2012, p.9).

The management and M&E capacity is often higher at the program level (e.g., malaria, HIV) than within DPC. Although national departments, such as the M&E Department and DIS, should play a coordinating role, they are often left behind when technical assistance is directed exclusively at selected disease programs. Increased coordination between departments and directorates will be crucial to ensuring that technical assistance resources support overall system strengthening in order to maximize their impact.

Low levels of understanding of the World Bank program scope and financial management requirements at the provincial levels make it difficult to enforce standard operating procedures and work plan schedules.

The lack of accurate and complete logistics data does not permit an effective analysis in order to make decisions based on evidence. The project will strengthen the internal audit unit and develop a system for metrics and analytics at CMAM and UGEA.

2.3.3 Plans for Upcoming Quarter (October 1, 2012 – December 31, 2012)

- Negotiate Round 8 HSS Grant Agreement with the Global Fund Secretariat
- Finalize the action plan for the Health Sector M&E

- Update and submit the M&E frameworks of the projects (GF and WB) with the latest results
- Maintain continuous leadership in organizing regular meetings with national programs, CMAM and implementing partners in order to discuss and take actions on supply chain related issues and to update the gap analysis and procurement plans.
- Improve communication mechanisms between CMAM and DAF for timely payment of costs related to import process
- Update the financial, procurement and operations manuals on the World Bank HSDP project for the three Northern Provinces

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

2.4.1 Current and Cumulative Progress

The second semester of pilot courses under the Ministry of Women and Social Welfare (MMAS) continued during FY 12 Q4 at the *Instituto de Ciências de Saúde de Maputo* (ICSM). The two pilot courses target 30 students under the Social Welfare Technicians (Level 5) program and 25 students under the Early Childhood Educators (Level 3) program. The last training held by MMAS for Social Welfare Technicians was in 1999 and in 1986 for Early Childhood Educators.

Consultants that are part of the Early Childhood Educator Technical Working Group also began developing the required curriculum package for the Level 4 program. Training materials will be submitted to and reviewed by MMAS and the *Programa Integrado da Reforma da Educação Profissional* (PIREP). As part of this, 14 Competency Units were developed and submitted to MMAS for the Level 4 Early Childhood Education course.

2.4.2 Challenges Encountered and Solutions

There have been a few delays in initiating the pilot courses and the speed of delivering the modules will have to be accelerated in order to finish the pilot courses on schedule in December 2012. The Course Coordinator at MMAS is currently recalculating the requirements for educational supplies (e.g., notebooks) to account for the lack of materials during this quarter.

2.4.3 Plans for Upcoming Quarter (October 1, 2012 – December 31, 2012)

- Complete the second semester of the Early Childhood Educator Level 3 course and second semester of the Social Welfare Technician Level 5 course at ICSM
- Conduct an evaluation of the initial year of the pilot courses to incorporate improvements for the second year
- Develop 14 competency-based modules for the Early Childhood Educator Level 4 course and submit to PIREP and MMAS for review
- Support MMAS to initiate the selection process for 30 new Social Welfare Technician students for the second round of the Level 5 course

3. Performance Monitoring Progress, Challenges, and Upcoming Activities

3.1 Current and Cumulative Progress

This quarter, the team began reviewing the proposed performance monitoring plan against the evolving project scope of work to determine areas where adjustments may need to be made.

3.2 Challenges Encountered and Solutions

As project activities have not yet been fully defined with the MISAU counterparts, it has not yet been possible to finalize a revised performance monitoring plan and begin collecting baseline data.

3.3 Plans for Upcoming Quarter (October 1, 2012 – December 31, 2012)

- Conduct a series of planning meetings with project stakeholders that will allow for the finalization of the project scope and associated performance monitoring plan
- Following the finalization of the plan, focus on the establishment of baselines for indicators as necessary

4. Other Activities

4.1 Project Staffing and Administrative Start-Up

During the first project quarter, the team has focused heavily on establishing the necessary project infrastructure to support the effective achievement of project goals over the next five years. In particular, start-up activities have focused on office set-up and staffing.

To set up the project office, Deloitte identified and secured an office location close to the Ministry of Health to house project administrative staff and technical assistants when they are not on site at counterpart locations. We also established a local bank account, developed an operations manual, and began developing tools (e.g., cost-share tracking template) to facilitate proper project administration. During this period the Program has also begun the implementation of internal control systems and administrative regulations. The Finance and Operations Director has received training on the use of the accounting application used by Deloitte (Imprest).

For those staff not already employed by Deloitte, the team also completed a significant portion of its project staffing activities in the first partial quarter of the project. Specifically, contracts were signed with a total of 13 staff, including the Program Director, Finance and Operations Director, IR 3 and 4 Lead, and staff supporting the IRs.

4.2 Stakeholder Engagement and Scope of Work Adjustments

As part of project start-up activities, the team has dedicated significant attention to engaging MISAU and MMAS counterparts and other stakeholders in discussions regarding the project's goals and approach in order to align project activities with GRM strategic initiatives for health and social welfare systems strengthening.

Some adjustments to the original scope of work have been proposed, which we will finalize during the next quarter in consultation with USAID. These adjustments include such areas as increased activities at CMAM (e.g., financial management process improvement, procurement technical assistance, performance based

financing activities), support to MISAU's Directorate of Human Resources, and support to performance-based incentives activities with the APE program.

5. Success Stories

Given that project activities started few months ago, we do not have success stories to report on at this time.

6. Lessons Learned

Given that project activities were primarily focused on start-up, we do not have significant lessons learned or best practices to report on at this time.

7. Annexes

Quarterly Financial Report Jul-Sep 2012