

DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add  
 C = Change  
 D = Delete

Amendment Number  
One (1)

DOCUMENT CODE

3

COUNTRY/ENTITY: MOZAMBIQUE  
3. PROJECT NUMBER: 656-0226

4. BUREAU/OFFICE: AFR  
5. PROJECT TITLE (maximum 40 characters): Primary Health Care Support

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM DD YY 08/31/96  
7. ESTIMATED DATE OF OBLIGATION (Under 8. below, enter 1, 2, 3, or 4):  
A. Initial FY 91 B. Quarter 4 C. Final FY 92

8 COSTS (\$000 OR EQUIVALENT \$1 = )

A. FUNDING SOURCE	FIRST FY 91			LIFE OF PROJECT		
	B. FY	C. L/C	D. Total	E. FY	F. C	G. Total
AD Appropriated Total	20,000			29,500		29,500
(Grant)	20,000			29,500		29,500
(Loan)						
Other U.S. 1						
Other U.S. 2						
Host Country						
Other Donors						
<b>TOTALS</b>						

9 SCHEDULE OF AID FUNDING (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE	D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
			1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) DEA	520	510	20,000		7,976		27,976	
(2) HE	580	510	- 0 -		1,259		1,259	
(3) DN	440	440	- 0 -		265		265	
(4)								
<b>TOTALS</b>			20,000		9,500		29,500	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each): 520 410 449 580 710 545  
11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each):  
A. Code: RGEN TECH TNG BR  
B. Amount: 600 7,250 350 17,000

13. PROJECT PURPOSE (maximum 480 characters):  
To enable the Government of Mozambique to more efficiently and productively utilize health resources, especially for decentralized preventive, primary health care

14. SCHEDULED EVALUATIONS: Interim 03/93 08/94 Final 08/96  
15. SOURCE/ORIGIN OF GOODS AND SERVICES:  000  941  Local  Other (Specify) DFA

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a 77 page PP Amendment)

This amendment (number 1) increases the LOP funding from \$20 0 million to \$29.5 million and raises the project's commensurate level of activities called for in the Project Paper's Supplement The PACD is also extended for one additional year to August 31, 1996

17. APPROVED BY: John M. Miller, Acting Mission Director, USAID/Mozambique  
Date Signed: 09/03/92  
18. DATE DOCUMENT RECEIVED IN AID/W OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY

ACTION MEMORANDUM FOR THE ACTING DIRECTOR

DATE 2 September 1992

FROM M P Selvaggio, HPN Officer

*MP Selvaggio*

SUBJECT Amendment of the Primary Health Care Support Project (656-0226)

**PROBLEM** Your approval is required to a) amend the subject Project Authorization to increase the LOP funding to \$29.5 million and to extend the PACD by one year; b) amend the subject Project Paper by adding a supplement, and c) amend the Project Grant Agreement

**BACKGROUND:** The Primary Health Care Project was authorized in August 1991 with a LOP funding of \$20.0 million and a PACD of August 31, 1995. Project financing was aimed at three components. (1) support for the UNICEF/MOH Essential Drugs Program over a three year period, (2) support for analyzing and studying three critical policy areas which affect the efficient and effective delivery of health services; and (3) support for building the capacity of two provincial health departments to effectively manage and plan for health services in their provinces, and to deliver better information, education, and communication (IEC) for primary health care

In late 1991, Mozambique, along with the rest of southern Africa, entered one of the most severe droughts of the past 100 years. Below average rainfall for 1991/92 rainy season has particularly hit the central and southern provinces of Tete, Manica, Sofala, Inhambane, Gaza, and Maputo

Numerous assessments conducted by A I D , the U N , and others have noted the almost total failure of Mozambique's principal cereal crops, the lack of surplus food and seed stocks at the household level, and the drying of community water sources. This has prompted large population movements throughout the countryside as families and communities search for more secure supplies of water and food. Malnutrition is on the rise among populations in the drought zone, and depletion of water reserves is contributing to deteriorating public hygiene and the spread of disease, particularly water-borne and infectious diseases.

Because the next rainy season will only begin in November, the months from September 1992 to March 1993 are critical. An Emergency Appeal, submitted in May 1992, requested

additional resources for food, agriculture, water supplies, and medical assistance for affected populations

Discussions within the Mission, with A I D /Washington, and with the Government of Mozambique (GRM), led to the determination that additional funds in the amount of \$9.5 million could be programmed through the Primary Health Care Support Project to meet urgent needs and related long-term activities for (1) water and medical supplies, and (2) technical assistance in managing the emergency, both within the GRM (at provincial level) and USAID. Although these additional resources will help meet urgent needs highlighted by the current drought, a long-term development impact is expected due to the expansion in infrastructure (i.e., water supplies) and improvements in services administration (i.e., long-term technical assistance (TA) in the drought-stricken province of Gaza).

## DISCUSSION

1 Project Goal and Purpose The goal and purpose of the original project remain unchanged.

2 Conformity with Mission Strategy As stated in the Action Memorandum attached to the original Project Paper (page iii), "the project's strategy and objectives are not incorporated into the Mission's broader Program Strategy. Until the Strategy is revised, A I D /Washington views this activity as a target of opportunity and requests the mission to report upon it as such." This continues to be relevant with this PP supplement.

3 Availability of Funds and Funding Mechanism 92 State 197602 provides concurrence for additional funding for this PP supplement. The full \$9.5 million will be obligated through an amendment (no. 1) to the Project Grant Agreement between A I D and the GRM. Funds will then be apportioned through

- a grant to UNICEF (\$2.0 million) for construction of water supplies,
- a PIO/C to A I D /W for pharmaceutical supplies (\$4.0 million),
- various contracts for short-term technical assistance in the water and pharmaceutical sectors (\$500,000),
- a contract for long-term planning and management TA for Gaza Province (\$2.5 million), and
- a contract for management assistance to USAID (\$200,000)

While the Government of Mozambique's contribution to this project (an estimated 15 percent) is not increased above the amount provided in the original PP, the waiver of the 25 percent contribution provided in the original PP applies as well to this supplement.

4 Procurement under the DFA This project supplement is both DFA- and non-DFA-funded. For the non-DFA funded portion, all procurement will occur within the U.S. For

the DFA-funded portion, Code 935 is the authorized procurement code. Therefore, no waivers will be required. However, as required by DOA 551, section 5F, and the DFA Procurement Policy Recommendations and Africa Bureau Instructions dated April 4, 1988 (88 State 105351), the following procurement limitations apply:

With respect to pharmaceuticals, all pharmaceuticals will be procured from the U.S. as governed by the provisions of AID Handbook 1B, Chapter 4C3.

With respect to water supply equipment, UNICEF will procure such equipment using its established procedures as discussed below.

With respect to travel and transportation, all such travel and transportation financed by AID to and from the United States will be limited to U.S. flag carriers, subject to documented exceptions. Because U.S. carriers currently do not fly into southern Africa, non-U.S. carriers will be used for this leg of project-financed travel and transportation.

With respect to ocean shipping, the Cargo Preference Act rules apply, and at least 50 percent of gross tonnage of all AID-financed commodities shipped on ocean vessels will be shipped on U.S. flag commercial vessels if such are available at fair and reasonable rates.

Long- and short-term technical assistance will be U.S.-sourced whenever possible. However, because of the need for Portuguese language capability, some TA may originate in Lusophone Code 935 countries.

Finally, the procurement plan calls for U.S. procurement of goods and services to the maximum extent possible.

**5. Grant to UNICEF** As required by Handbook 13, Chapter 5, Section 5D, USAID has concluded that all of the following conditions have been met, justifying a grant to UNICEF, a public international organization:

1. Support for UNICEF's water program in Mozambique is considered to be more effective and efficient than direct AID assistance in achieving the particular development objective,
2. The program and objectives of UNICEF are compatible with those of AID,
3. There is no reason to consider UNICEF not responsible, and
4. The grant is made for specific projects or activities of interest to AID and not for augmentation of UNICEF's operating budget, nor for activities for which the U.S.

is making a voluntary contribution under Chapter 3 of the Foreign Assistance Act of 1961

As permitted pursuant to HB13, 5E, competition is not required for a grant to UNICEF. Because numerous donors are funding UNICEF's water and sanitation program in Mozambique, and A I D funds will be commingled with other donor funds in support of UNICEF health activities in Mozambique, A I D is not the sole contributor to UNICEF's program and UNICEF may apply its own audit and procurement policies and procedures, as provided in HB 13, 5G2

6 Justification to Congress A Congressional Notification expired without objection on July 13, 1992

7 Delegation of Authority In accordance with A I D Delegation of Authority (DOA) 551, section 4 A(2), you, as Acting Director, have authority to amend Project Authorizations provided the amendment will not result in total life of project funding of more than \$30.0 million, present significant policy issues, deviate from the original project purpose, or require issuance of waivers that must be approved by the Administrator or Assistant Administrator. DOA 551, section 5B, authorizes you to sign amendments to grants to foreign governments and public international organizations

This project falls under that authority. A I D /Washington review and concurrence for this PP supplement was provided in State 197602 (dated 20 June 1992). Funding for the construction of water supplies can be obligated as the AA/AFR has approved a section 611(e) determination regarding the GRM's ability to maintain and effectively utilize such facilities

RECOMMENDATION That you (a) sign and thereby authorize Amendment No. 1 of the Project Authorization for the Primary Health Care Support Project, (b) approve the Project Paper Supplement by signing the attached Project Data Sheet, and (c) proceed to sign the PHCS Project Grant Agreement Amendment Number 1 with the appropriate representative of the Government of Mozambique

#### Attachments

- 1 Project Authorization, Amendment No. 1
- 2 Project Data Sheet and Project Paper Supplement with Annexes
- 3 Project Grant Agreement Amendment No. 1

Drafted by HPN MP *MP* Selvaggio 6/5/92  
Clearances HPN C *CR* Rocha draft 7/20/92

PDO S *SB* Bliss draft 7/7/92  
PROG C *CM* McCarthy *CMC* 9/2/92  
RLA T *TR* Riedler draft 7/14/92  
RCO M *MK* Kenyon draft 7/14/92  
ENG P *PA* Rgo draft 7/16/92  
CONT M *MP* Powdermaker draft 7/13/92

**PROJECT AUTHORIZATION**

Amendment Number One (1)

COOPERATING COUNTRY	Mozambique
PROJECT TITLE	Primary Health Care Support
PROJECT NUMBER	656-0226

1 Pursuant to the Foreign Assistance Act of 1961, as amended, the Foreign Operation, Export, Financing, and Related Programs Appropriation Act, 1990, Africa Bureau Delegation of Authority (DOA) 551, revised, and 91 State 213771, the Primary Health Care Support Project was authorized on August 30, 1991 That is hereby amended as follows

(a) In paragraph 1,

(i) the phrase "20 million United States dollars (\$20,000,000)" in paragraph 1 is deleted and the phrase "Twenty-nine million and five hundred thousand United States dollars (\$29,500,000)" is substituted in lieu thereof,

(ii) the phrase "the Development Fund for Africa (DFA)" is deleted and the phrase "the Development Fund for Africa and other Development Assistance (DA) account funds" is substituted in lieu thereof, and

(iii) the last sentence of paragraph 1 of the Authorization is deleted and the following substituted in lieu thereof

"Except as A I D may otherwise agree in writing, the planned life of the project is five years from the date of initial obligation "

(b) In paragraph 2, the second sentence is deleted and the following substituted in lieu thereof

"The project will focus on four major components which relate to the effectiveness of preventive, primary health care (PHC) in Mozambique (a) the provision of essential drug supplies, contraceptives and other pharmaceuticals to meet national PHC requirements, (b) the strengthening of Ministry of Health institutional capacity to plan, manage, and deliver preventive PHC services, (c) the provision of safe water supplies for public health, and (d) the

analysis of several policy areas which influence the effectiveness of PHC in Mozambique "

(c) In paragraph 3,

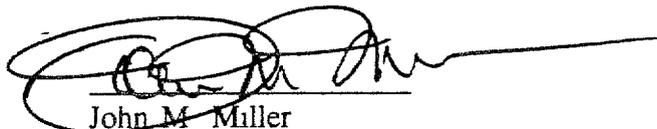
(i) the first three sentences are deleted in their entirety and replaced by the following

"In accordance with Africa Bureau DOA 551, section 5F, the source and origin of commodities and the nationality of suppliers of commodities and services (except ocean shipping) financed under the Project with DFA funds shall be the United States, the Republic of Mozambique, or other countries included in A I D Geographic Code 935, except as A I D may otherwise agree in writing. The source and origin of commodities and the nationality of suppliers of commodities and services financed under the Project with other DA funds shall be the United States, except as A I D may otherwise agree in writing", and

(ii) after the fifth sentence, the following sentence is added

"All other pharmaceuticals financed under the project will be procured from the U S , except as otherwise approved in accordance with the requirements of A I D Handbook 1B, section 4C3 "

Except as amended herein, the Authorization remains in full force and effect



John M. Miller  
Acting Director  
USAID/Mozambique

9/3/92

Clearances RLA TR edler drait 7 14 92 PROG CMcCarthy *CMC* 9/2/92  
HPN MPSelvagg 7/26/92 ENG PArgo drait 7/16/92  
HPN CRocha drait 7 23 92 PDO SBliss drait 7 16 92  
CONT MPowdermaker drait 7/13/92

**ABBREVIATIONS**

<b>A I D</b>	<b>Agency for International Development</b>
<b>AIDS</b>	<b>Acquired Immune Deficiency Syndrome</b>
<b>DNA</b>	<b>Direccao Nacional de Agua (National Directorate for Water)</b>
<b>DPCA</b>	<b>Direccao Provincial de Construcáo e Aguas (Provincial Directorates for Construction and Water)</b>
<b>DPS</b>	<b>Direccao Provincial de Saude</b>
<b>EDP</b>	<b>Essential Drugs Program</b>
<b>EEC</b>	<b>European Economic Community</b>
<b>EOPS</b>	<b>End of Project Status Indicators</b>
<b>EPAR</b>	<b>Provincial Workshops for Rural Water</b>
<b>GEOMOC</b>	<b>The State Drilling Company</b>
<b>GRM</b>	<b>Government of the Republic of Mozambique</b>
<b>IEC</b>	<b>Information, Education, Communication</b>
<b>IUD</b>	<b>Intrauterine Device</b>
<b>LOP</b>	<b>Life of Project</b>
<b>MCW</b>	<b>Ministry of Construction and Water (Ministerio de Construcáo e Aguas)</b>
<b>MEDIMOC</b>	<b>The State Pharmaceutical Importation Agency</b>
<b>MOH</b>	<b>Ministry of Health</b>
<b>NGO</b>	<b>Non-governmental organization</b>
<b>OFDA</b>	<b>Office of Foreign Disaster Assistance (A I D )</b>
<b>PIO/C</b>	<b>Project Implementation Order/Commodities</b>
<b>PIO/T</b>	<b>Project Implementation Order/Technical Assistance</b>
<b>PRONAR</b>	<b>Programma Nacional de Agua Rural (National Rural Water Program)</b>
<b>PP</b>	<b>Project Paper</b>
<b>PVO</b>	<b>Private Voluntary Organization</b>
<b>RFP</b>	<b>Request for Proposals</b>
<b>STDs</b>	<b>Sexually Transmitted Diseases</b>
<b>TA</b>	<b>Technical Assistance</b>
<b>U N</b>	<b>United Nations</b>
<b>UNICEF</b>	<b>United Nations Children's Fund</b>
<b>USAID</b>	<b>U S Agency for International Development (Maputo)</b>
<b>VLOM</b>	<b>Village-level operation and maintenance</b>

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**Annexes**

- A Revised LogFrame**
- B Supplementary Technical Analysis**
- C Supplemental Institutional Analysis**
- D Illustrative List of Emergency Pharmaceuticals**
- E Revised Financial Analysis**
- F Initial Environmental Examination**
- G A I D Concurrence with PP Supplement (State 197602)**
- H A I D /Washington Concurrence with 611(e) Determination**

## I. EXECUTIVE SUMMARY

This Project Paper (PP) supplement describes additions to project activities which will assist the Government of Mozambique (GRM) to respond more effectively to the present drought (water supplies and pharmaceuticals), and which expands the project's health management component to include a drought-affected province (Gaza). This project supplement increases the total project budget from \$20 million to \$29.5 million and extends the LOP for one additional year to August 1996.

While these activities provide a mechanism for responding to urgent requirements for water supplies and pharmaceuticals in drought-affected areas in Mozambique, they are consistent with the project's overall purpose focused on decentralized primary health care. The drought relief activities are oriented toward accelerating long-term investments in water supply and health systems improvement so as to provide early and simultaneous drought relief benefits.

Water supplies will be constructed through a grant to UNICEF which will assist PRONAR in implementation. A memorandum of understanding between the Ministry of Construction and Water (MCW), the Ministry of Health (MOH), UNICEF, PRONAR, and AID will specify and clarify roles and responsibilities for this component. Pharmaceuticals will be purchased directly by AID and imported to Mozambique. An additional long-term health management advisor will be hired to work in Gaza Province. As described within the original PP, this advisor will be one of six long-term personnel working in health planning and management in three provinces and Maputo.

## II. PROJECT FACTORS/BACKGROUND

### A. Introduction

In August 1991, the Government of Mozambique (GRM) and USAID initiated the Primary Health Care Support Project (656-0226) to address critical primary health care needs in Mozambique. This \$20 million project provides funding for (1) essential drugs, (2) long-term technical assistance (TA) to focus on health management and planning in two provinces, and (3) three policy studies focused on policy issues within the Ministry of Health (MOH).

Starting in agricultural year 1991/92, Mozambique along with the rest of Southern Africa, was struck by what is termed the worst drought in a century. This project supplement provides additional resources to assist the GRM in drought relief through investments in (1) water supply and sanitation, (2) pharmaceutical supplies, (3) an extension of the original project's management and planning component to a third (drought-stricken) province, and (4) project management.

## **B. Drought Emergency - Review of the Problem**

Mozambique is currently in the midst of one of the most severe droughts in the past 100 years. Rainfall for the 1991/92 rainy season has been well below average throughout the country, but particularly hard hit are the central and southern provinces of Tete, Manica, Sofala, Inhambane, Gaza, and Maputo (see Figure 1 for map). For Manica and Sofala Provinces, this was aggravated by a 1990/91 drought. Assuming rains return to normal in November 1992, the next nine months (from July 1992 - March 1993) are the most critical from a water and sanitation perspective.

Numerous assessments conducted by A I D , the U N , and others have noted the almost total failure of Mozambique's principal cereal crops, the lack of surplus food and seed stocks at the household level and the drying of community water sources. This has prompted large population movements throughout the countryside as families and communities search for more secure supplies of water and food. Malnutrition is on the rise among populations in the drought zone, and depletion of water reserves is contributing to deteriorating public hygiene and the spread of disease, particularly water-borne and infectious diseases.

In March 1992, the A I D Office of Foreign Disaster Assistance (OFDA) fielded an eight member rapid reconnaissance team in an attempt to quantify the needs of the southern Africa drought relief effort. As a result of the assessment for Mozambique, this project is being amended to provide additional support for water supply, additional pharmaceuticals, and management to assist with the drought relief program. Additional funding to NGOs and for food aid is also provided through other USAID projects and programs to assist with drought relief.

## **C. Government Policy/Response**

In early May 1992, the GRM released its Emergency Drought Appeal (1992-93), in which estimates for affected populations were increased from 1.8 million to 3.1 million (taking into account those already displaced by war and those additionally affected by the drought). The GRM is faced with the challenge of securing the efficient management, handling, distribution of food aid to avert widespread famine, and water/health resources to avert widespread epidemics. In order to deal with an emergency situation of such magnitude, the GRM is taking measures aimed at improving management at all levels of resources and financing.

Funding requirements for meeting the needs of even greater numbers of affected populations are increased from a planned \$208 million to \$457.4 million. Within the framework of the broader emergency appeal, UNICEF and the National Rural Water Supply Program (PRONAR) submitted a request to USAID for \$2.0 million in emergency assistance for the rural areas most affected by the drought. This project supplement is part of the USAID Mission's response to the drought appeal.

Also, within the framework of the broader emergency appeal, the Ministry of Health

requested supplementary funding for pharmaceuticals to meet a critical need for drought affected populations. The MOH also discussed with USAID the utility of expanding this project's technical assistance component to include Gaza Province, one of the most severely hit provinces by the drought. This project supplement also reflects these demonstrated needs.

#### D. Project Progress to Date

During the first five months of project implementation, numerous project activities were initiated which resulted in commitments of \$5.5 million in project funds. A grant was signed with UNICEF for financing 18 months of support to the essential drugs program (EDP). A subsequent 18 months of support is planned, based on the results of a program audit of the EDP in year two of the grant. Scopes of work for the five-person technical assistance team are finalized, but the issuance of the request for proposals (RFP) has been delayed until this project supplement is approved (so that the additional long-term advisor for Gaza province can be included).

The terms of reference for two of three policy studies (private sector and budget) have been finalized, and the consultants identified. These studies will begin in June/July 1992. A background desk review for the third policy study (pharmaceutical sector) was completed in May 1992. Based on this review, the terms of reference for the policy study will be finalized with the study planned to begin by August/September 1992.

#### E. Other Donor Support

##### E.1 Investments in the Water Sector

Through the National Rural Water Supply Program (PRONAR) and the National Directorate of Water (DNA), with technical assistance support from The United Nations Children's Fund (UNICEF), the GRM has put together an emergency planning document for the water sector, Emergency Plan of Action - Drought 1992 (hereinafter referred to as the Emergency Plan). This plan aims at addressing the short-term immediate problems of the water supply sector, as best they can be predicted. PRONAR, with substantial assistance from UNICEF, has worked very closely with provincial authorities over the past several months to assess and document the water supply requirements related to the current drought. The Emergency Plan targets Maglio, Gaza, Innaqane, Sofala, Manica and Tete Provinces as priority provinces facing the most serious problems, i.e. present water sources becoming dry or saline.

The Emergency Plan covers the water resource development considered necessary to meet drought needs which is additional to the normal work of PRONAR. In 1992 PRONAR is expected to match its 1991 production level (i.e. 856 new sources, consisting of 653 hand dug/drilled wells and 203 machine drilled boreholes) as well as construct the emergency rural

### water sources within the Emergency Plan

The Emergency Plan's water targets are categorized and detailed in phases under rural, peri-urban, and urban headings. The phased implementation for the rural sector reflects PRONAR's speed of implementation vis-a-vis capacity and resources. Phase I is a nine-month initiative to rapidly mobilize existing PRONAR capacity by making additional funds available for purchase of equipment and labor. Phase I concentrates on water source development in secure districts within the provinces most severely affected by drought. Water source development under Phase I favors deep borehole construction.

Phase II is designed to increase PRONAR's provincial capacity by providing capital inputs (i.e. drilling kits, light drilling rigs, transport, PVC casing and screening, cement, and training) to the provincial workshops (EPARs). Phase II also includes sufficient supplies and equipment to ensure that piped water systems in selected district towns continue to function to meet increased demand created by drought conditions.

Water source development for the urban and peri-urban areas is not timed in phases, but represents an attempt to meet the needs of urban communities most severely affected by the drought. UNICEF will support drought relief projects of the Peri-urban Water Supply Program (PAABP) in the cities of Xai-Xai and Chokwe to construct 80 standposts benefiting 40,000 people. Emergency resources directed to urban areas will address the needs of the hardest hit cities of Beira, Chimoio, and Quelimane. These will be implemented through the GRM's urban water supply departments.

The estimated budgets of the Emergency interventions currently being considered are

	Phase I (July 92 - March 93)	Phase II July 92 - July 93	TOTAL
Rural	\$ 2,600,000	\$ 2,160,000	\$ 4,760,000
Peri-Urban	---	---	465,000
Urban	---	---	828,000
TOTAL			\$ 6,053,000

The higher proportion of funding designated for rural-based activities reflects the fact that approximately 75% of the population normally live in the rural areas of Mozambique. The Emergency Plan is also designed to reflect the implementation realities of PRONAR, the provincial water supply workshops (EPARs) and the state drilling company, GEOMCO.

PRONAR's assessment of total needs under Rural Phase I indicates that \$2,600,000 is required for

- construction of 282 new sources (55 hand-dug shallow wells, 53 hand-dug lined

- boreholes, and 194 deep machine drilled boreholes, all 282 new sources to be equipped with village level operated and maintained (VLOM) Afridev handpumps),
- rehabilitation of 60 sources (40 hand-dug shallow wells, 20 deep machine drilled boreholes, all 60 rehabilitated sources to be equipped with VLOM Afridev handpumps), and
- procurement and installation of 654 VLOM Afridev hand-pumps

Completion of phase I is expected to benefit a total of 510,000 in rural areas affected by drought. Sweden and Holland have already committed \$600,000 to the implementation of this phase, and this project will meet the remaining needs for \$2,000,000.

While some NGOs in the sector are active on a small scale, and USAID funding for the PRONAR activities will meet substantial community need, unmet demand for water supplies at community level will continue. As such, USAID proposes to finance some of this need (through the PVO Support Project (656-0217) by encouraging NGOs to be more active in water source development.

## **E.2 Investments in the Pharmaceutical Sector**

Numerous donors have provided Mozambique with either financing for drug procurement or in-kind pharmaceutical contributions. The Essential Drugs Program (EDP), now fully financed under this project through a grant to UNICEF (an estimated \$3.5 million per year), accounts for approximately 40 percent of pharmaceutical needs at the primary health care level. The remaining 60 percent of needs for the primary level, as well as all needs of higher levels of the health care system, are fulfilled by MEDIMOC, the sole importer of pharmaceuticals to Mozambique. MEDIMOC receives an estimated \$12 - \$15 million per year as either foreign exchange balance-of-payments support or in-kind donations from donors such as Canada, Norway, EEC, Holland, Sweden, and Italy.

Due to recent changes in procedures for accessing foreign exchange, MEDIMOC and the MOH are experiencing a critical shortfall in available foreign exchange to purchase medicines. This is further compounded by the increasing demands on the health system in drought-affected areas. While other donor financing is now earmarked for drug procurement, GRM procurement procedures are complicated, and the first shipment of MEDIMOC-procured pharmaceuticals will probably not arrive until early 1994. Thus, this project supplement responds to urgent requirements for additional pharmaceuticals for the primary level (levels I and II which comprise health posts, centers, and health centers) in the drought-affected area. Other donor financing through balance-of-exchange support should meet the needs beyond the current crisis and elsewhere in the country.

## **E.3 Other Donor Investments in Health Planning/Management**

As indicated in the original Project Paper and its annexes, poor planning and management in

the health sector is one of the most critical constraints to improving the delivery of health services and the consequent well-being of the Mozambican people

One of the main objectives of this project is to focus on building MOH capacity at provincial level to better identify health needs, to respond to those needs, and then to measure the MOH's performance in meeting those needs. Two provinces, Niassa and Zambezia, are targeted for long-term technical assistance in this area. Finland and Denmark are embarking on similar initiatives in Manica and Tete provinces. UNICEF is also focusing on health planning in Manica, Zambezia, and Niassa provinces. Save the Children (U.K.) also provides planning assistance to the provincial health department in Zambezia Province. Finally, many donors are presently collaborating with the MOH in the design of a district-level management initiative. The geographic focus of this, however, has not yet been defined.

Of the provinces mentioned above, only Manica, Tete, and southern Zambezia provinces, are severely affected by drought. As a result, many of the most affected provinces have insufficient resources to effectively plan and manage their drought relief and health activities. Therefore, this project supplement adds funding for expanding the capacity building component to Gaza Province, one of the most severely affected in the country.

### **III. REVISED PROJECT DESCRIPTION**

#### **A. Goal and Purpose**

The goal of the Primary Health Care Support (PHCS) Project is to contribute to the overall improvement of health status in Mozambique, especially among women and children who suffer disproportionately from illness and premature death. The purpose of the current project is to enable the GRM to more efficiently and productively utilize existing health resources, especially for decentralized preventive, primary health care services in Mozambique. The central issue to be addressed by this project is the more efficient and productive use of human, material and financial resources in the health sector in Mozambique. This project supplement, with its orientation on accelerating long-term investments in water supply and health systems management improvements so as to provide early simultaneous drought relief benefits, is consistent with the original goal and purpose of the project.

Current drought conditions threaten to further erode the delivery of health care services to poor rural populations. Specifically, one can expect, and indeed we are already seeing, an increase in cholera and other life-threatening diseases. This supplement, recognizing the reality of the drought, provides (1) additional preventative (water) and treatment (pharmaceuticals) services to the affected populations, as well as (2) increased capacity of the health sector to respond to the special needs created by the drought with longer-term benefits as well.

Thus, this project supplement provides funding to

- 1) meet urgent water and essential drug needs of drought-affected populations where they are currently located, thereby reducing migration into more urban areas and displaced persons camps, and
- 2) meet increased and program management needs for existing and proposed activities and provide donor coordination during the drought in the health/water sector

Urgent requirements for food aid, as well as increased need for NGO-initiated health/food projects in drought-affected areas, will be funded through other USAID programs. While this project supplement focuses primarily on funding activities within the public sector, USAID will involve the NGOs and private sector in the provision of rural water supply and sanitation systems through the PVO Support Project (656-0217). At the end of this project, the following will be achieved:

- a) provision of basic water supply, as a public health intervention, to meet the domestic needs of 450,000 people,
- b) provision of additional essential pharmaceuticals through the MOH to meet the emergency needs of an estimated 3,000,000 people (based on a \$1.30/person ratio);
- c) expansion of the capacity of the MOH to manage and plan for emergency and non-emergency PHC services in the drought-affected province of Gaza,
- d) provision of USAID management oversight

## **B. Requirements for Supplement/Description of Activities**

This project supplement contains four components: (1) water supply, (2) pharmaceutical support to meet emergency needs, (3) the addition of a third province (Gaza) for long-term TA support in PHC planning and management, and (4) program management. Of these four components, two are additive to the project (water supplies and pharmaceutical support), and two are extensions of existing project activities. All components are expected to have long-term development impact, even though at present, they are also designed to meet emergency requirements.

### **B.1 Water Supply**

Given the extremely low rainfall of the past two rainy seasons many surface water sources of potable water supply have vanished and groundwater levels are dropping at alarming rates in the southern provinces. The National Rural Water Supply Program (PRONAF) and the National Directorate for Water (DNA), Ministry of Construction and Water (MCW) reports

that in some affected districts up to 75% of the shallow sources (hand-dug wells) and 25% of medium-depth sources (hand-drilled wells) are dry or in imminent danger of drying. The State Water Drilling Corporation (GEOMOC) also reports that static water levels of some of the most severely effected boreholes have dropped by up to 10 meters. Three of the country's primary urban centers, (i.e., Beira, Chimoio, and Quelimane) currently all face severe shortages of supply with several other urban centers approaching severe conditions. Beira's supply has already been adversely affected by salt water tidal intrusion at the source of intake, some 78 kilometers from the sea, due to the extremely low level of the river source.

Although the incidence of cholera has increased within the last two drought years, the Emergency Plan does not mention sanitation interventions. While no one would deny that improved sanitation would certainly help improve the situation and decrease the risk of fecal-orally transmitted diseases such as cholera, the initiation of a new program in rural sanitation will take time to develop and is not likely to be addressed within the time-frame of the Emergency Plan. For this reason, a sanitation component for the Emergency Plan has been excluded. The rationale is that if improved water supply is developed, the incidence of cholera will decrease, since people will not have to depend upon contaminated sources. Improved sanitation may prevent an existing source from being contaminated but the absence of an appropriate delivery system precludes that intervention from preventing the transmission of disease. This by no means, however, advocates the exclusion of a comprehensive rural sanitation program under a more normal development planning process for the sector. Further, USAID, in providing assistance to NGOs to work in the water sector, intends to encourage them to address sanitation needs, while allowing PRONAR to focus its effort on immediate water shortages.

As stated previously, PRONAR receives technical and financial assistance from UNICEF. In 1985, UNICEF began its technical assistance to the rural water sector through PRONAR. UNICEF's aim was to develop a more integrated approach to water supply, enhancing community participation and encouraging decentralization and systems sustainability through village level operation and maintenance. Last year, UNICEF spent \$4.0 million in the sector through a combination of general resources and bilateral contributions to its program. UNICEF has built up a professional staff within its Maputo office over the last five years who are specialists in water supply. It has also provided technical expertise directly to PRONAR to strengthen the government operations within the sector. UNICEF has the strongest existing capacity within the Mozambican water supply sector to efficiently handle the flow of donor funds.

This Project will support the DNA/PRONAR Emergency Plan by channeling the bulk of the additional funds through UNICEF. In view of UNICEF's good track record in assisting PRONAR, this has several distinct advantages including a reduction in direct oversight required by USAID and the ability to respond quickly to identified needs stemming from the drought. Given the projected severity of the drought, and its detrimental impact on human health, the project will, through this supplement, finance the water needs of 450,000 people. Although the implementing agency is not the MOH, but rather PRONAR, provision of safe

water supplies is a preventive health intervention

Under the National Directorate for Water, within the Ministry of Construction and Water, PRONAR works through the 10 Provincial Directorates for Construction and Water (DPCAs) to deliver water supply services to the population. Due to limited staff within the DPCAs, construction of hand-dug and hand-drilled shallow wells is "contracted out" to Provincial Rural Water Supply Workshops (EPARs). Where a deep borehole (machine-drilled) is required, GEOMOC is then hired to assist. Financial transactions take place between PRONAR, DPCAs, EPARs, and GEOMOC. GEOMOC, a state owned enterprise, on occasion may advertise itself as a private firm.

Under PRONAR, all rural water supply interventions are preceded by formal community participation and hygiene education sessions (programa de educacao e comunicacao, or PEC) which is conducted by the EPARs. Initiated in 1985 by PRONAR, UNICEF, and Helvetas (a Swiss NGO), the PEC Program aims to

- mobilize the community (especially women) to participate in all facets of well construction -- from choosing the site to operation and maintenance of the well,
- educate the community in the correct use of the well, the proper use and treatment of water (including transportation and storage of water), and the relationship of water to health.

Presently, PEC includes (a) participation of other Ministries (Health, Education, and Information) in its programs, (b) training and upgrading of the "animadores" (educators) and other personnel involved with PEC education and information dissemination, and (c) guaranteeing technical and material support at national and provincial level.

Although project support to UNICEF and PRONAR is programmed for immediate assistance, the PEC component will be implemented concurrently with the construction of the wells. Education and community participation activities under the PEC should not hinder the rapid implementation of water supply construction.

Siting of hand-dug and hand-drilled wells is carried out by the EPARs in conjunction with community representatives familiar with traditional water points. The EPARs use technical specifications and standards, developed by PRONAR, for designing and constructing the hand-dug and hand-drilled wells.

Technical siting investigations for deep machine-drilled boreholes are carried out by GEOMOC, although they do not have equipment for geophysical site availability in every province. GEOMOC also uses technical specifications and standards developed by PRONAR, for construction of deep machine-drilled boreholes.

Operation and maintenance of pumps is now decentralized to allow more direct involvement by the community in sustaining the operation of their water source. Following a National

Seminar in 1991, PRONAR issued a policy which promotes village level operated and maintained (VLOM) hand pumps for all rural water supplies in Mozambique. The first VLOM pump selected was the Afridev which is now installed on all new and old water supplies. On old water supplies, the Afridev replaces the India Mark II (locally dubbed the "bomba rural") which was unreliable due to the need for centralized maintenance.

The Afridev handpump has international approval, as evidenced by the proceedings of the Hand Pump Conference (June 1991, Islamabad, Pakistan) which was sponsored by UNDP and the World Bank and attended by pump designers, manufacturers, donors, and rural water supply experts. It is easily and cheaply maintained by the community (particularly women) by using just one tool.

Procurement of Afridevs under this PP supplement will initially be from India and Pakistan where manufacturers are able to meet the design specifications and global standards as defined at the Islamabad conference. Afridevs are not manufactured within the U.S. or Mozambique, although UNICEF is presently assisting the GRM in establishing manufacturing capacity. By 1993, it is expected that 100 Afridev pumps will have been built in Mozambique.

### Implementation Strategy

To finance the construction of water supplies, this project will (1) provide a grant to UNICEF for activities to be implemented by PRONAR, and (2) provide short-term TA in water supply technologies as needed.

A direct grant to UNICEF will be issued to assist PRONAR in

- \* Constructing 165 new sources (20 hand-dug shallow wells, 20 hand-drilled boreholes, and 125 deep machine-drilled boreholes) with the installation of 165 VLOM hand-pumps,
- \* Rehabilitating 60 existing sources (40 hand-dug shallow wells and 20 machine-drilled boreholes) with the installation of 60 VLOM hand-pumps, and,
- \* Installing 650 VLOM hand-pumps on existing sources

The grant to UNICEF will fund PRONAR's costs of equipment procurement, labor, and associated costs. USAID's assistance to UNICEF/PRONAR will be complemented with assistance from other donors to meet the emergency drought needs. PRONAR will also continue to install approximately 850 sources scheduled under its regular rural development budget for 1991/92 (based on 1991 production rates).

With Project funding, the UNICEF/PRONAR team will be functioning at close to the maximum capacity, but AID believes they will be able to meet the demand. PRONAR's production capacity (human, material, and financial) peaked in 1989 at 1250 new water

sources per year PRONAR's failure to reach this target over the last two years is due to lack of GRM and/or donor financing For 1992, PRONAR's intention to construct 856 new sources in addition to the 282 emergency water sources is within their stated capacity Moreover, a UNICEF/PRONAR team, working together effectively with PRONAR involvement in field implementation and UNICEF providing technical and other support, is judged to be a viable approach to meeting the emergency needs

The Ministry of Construction and Water (MCW) and PRONAR are responsible for implementation of all proposed water activities, however, as this project is obligated through the MOH, a Memorandum of Understanding (MOU) is necessary to ensure that all parties mutually agree to their respective role in implementing this component This MOU will establish the respective responsibilities between the MOH, MCW, UNICEF, PRONAR, and USAID The MOU will be signed within one month of signing the Project Agreement Amendment with the GRM

UNICEF will be responsible for monitoring and reporting to USAID on all project-related activities, including progress and financial reporting

There is further scope for constructing additional water systems to meet current urgent demands stemming from the drought It is here that the NGO community has been identified as a supplementary source of implementation, specifically where NGOs involve the private sector in construction of water systems Where new water sources can be constructed by external contractors based on the hydrogeological and hydrological expertise of PRONAR, this will serve to complement the capacity of GEOMOC and EPAR and so speed up the process of meeting drought demands The NGO activities will be funded under the PVO Support Project, not under this project supplement.

This supplement also provides funding for other short-term TA to the water/sanitation sector Illustrative consultancies may include

- providing short-term technical backstopping to a Personal Services Contractor/Hydrologist within USAID to assist in technical oversight and management of USAID-funded water sector activities,
- facilitating a workshop with NGOs, UNICEF, and PRONAR to investigate appropriate roles and opportunities for NGO involvement in the sector The objective of this workshop is to initiate involvement of NGOs in the sector yet allow PRONAR to maintain an appropriate role, and
- providing short-term technical TA to NGOs as they become active in the sector

## **B.2. Pharmaceutical Support**

Morbidity and mortality are expected to increase as a result of the drought. Populations on-the-move, without access to safe water supplies or sufficient food, are expected to experience increased incidence of measles, cholera, diarrhea, and respiratory infections, all complicated by malnutrition.

While Mozambique's health system presently meets the needs of only 30 percent of the population, the drought and accompanying mass migration of people (many from previously inaccessible areas) will place additional demands on human, material, and financial resources of the health sector in the southern provinces. The health system, however, is not adequately stocked with basic medicines to meet the needs of the drought victims, as evidenced by critical shortages of pharmaceuticals which have appeared over the last year. (Mozambique experienced a shortfall in essential drug kits due to a one-year lapse in donor financing. However, with the support recently provided by this project, kits are now arriving and are beginning to meet long-unmet needs. However, remaining pharmaceutical needs continue to be largely unmet as the EDP program is designed to meet only half the needs of the primary level. MEDIMOC has been unable to meet the increasing demand for pharmaceuticals which is resulting from drought-related illness and shifting populations.)

At the primary level, UNICEF and the MOH have indicated that those communities seeing a rapid increase in population as a result of in-migration from drought areas will receive extra EDP kits to meet their needs. Nevertheless, the MOH estimates that medicines within the EDP kits meet only an estimated 60 percent of pharmaceutical requirements at the primary level. The remaining 40 percent, plus the requirements of the secondary, tertiary, and quaternary levels are to be provided by MEDIMOC, the sole legal importer of medicines in Mozambique. Unfortunately, financing for MEDIMOC procurement of medicines has been insufficient to meet the country's needs, and the current crisis in drug supplies complicates Mozambique's and USAID's effort to respond to the health needs of drought victims.

Accordingly, this project supplement provides \$4.0 million for purchasing and importing critically needed basic medicines for the drought-affected areas. These drugs will be directly purchased by USAID for importation to Maputo. The majority of the medicines to be funded under this supplement are drugs commonly used for gastrointestinal disorders, malnutrition, and infections of skin, eyes, ears, and other organs. These are the most common health problems present among dislocated and poor persons in Mozambique. (Annex D contains an illustrative list of the medicines to be purchased.) Emergency pharmaceutical supplies complement the project's existing support for the EDP prescribed in the original Project Paper.

Also complementing the project's original support for contraceptives (orals and IUDs), this PP supplement provides funding for condoms over the LOP. Prevalence of sexually transmitted diseases (STDs) typically increases when population crowding occurs. Pharmaceutical support will assist in meeting the treatment needs of STD outbreaks, but assuring adequate condom supplies is important for preventing further spread.

### Implementation Strategy

Pharmaceuticals and condoms will both be purchased through a PIO/C to A I D /Washington. The pharmaceutical list, prepared by the MOH Department of Pharmacy and MEDIMOC, will be reviewed by relevant A I D technical staff prior to procurement to ensure that only FDA-approved items are purchased with project funds. To the extent possible and practical, and in consideration of timing and requirements, packaging of pharmaceutical supplies will be in Portuguese where possible.

Medicines will be shipped by air or sea (as appropriate) to Maputo, received by MEDIMOC, and then distributed by MEDIMOC through normal channels. MEDIMOC's experience in distribution of pharmaceuticals is spotty, and as such, if needed, USAID will review with MEDIMOC and the Ministry of Health the possibility of utilizing NGOs or other organizations to assist in more rapid distribution.

### **B.3. A Third Province for Long-Term TA Support in PHC Planning and Management**

The original Project Paper obligated funds for 15 person-years of long-term technical assistance (TA) to assist the MOH in improving (i) provincial planning and management in Zambezia and Niassa Province, (ii) information, education, and communication (IEC) activities for primary health care (through AMODEFA, a local NGO), and (iii) decentralization.

This component is elaborately detailed within the original PP. However, to briefly summarize, the project will provide five long-term advisors, each for a three-year period, to assist the MOH at central and provincial level to focus on organizational management issues at provincial level – i.e. how the Provincial Health Department (DPS) defines its role, establishes priorities, and then measures its own performance against those priorities. The critical point to be addressed by these advisors and their DPS counterparts is optimizing the performance of DPS/MOH staff so that existing resources (human, financial, and material) are used more effectively to improve health in Mozambique.

Two Planning and Management Advisors (one for each of two provinces) are programmed for assisting the DPS in undertaking the above. A Decentralization Advisor, to be based within MOH/Maputo will assist the national level in more specifically defining and operationalizing decentralization (based on provincial level input). An IEC Advisor will assist in better public education in the targeted provinces for primary health care (and specifically STDs/AIDS/family planning). A Training Advisor will support the activities of all the other components of the project through strengthening the training capacity of the Centro de Reciclagem (In-service Training Center) based in Quelimane.

Most of the project's activities within this institution-building component are focused on the

two provinces of Zambezia and Niassa. However, due to the urgent need within the DPSs of the southern provinces to respond effectively to drought-related needs, this project supplement adds funding for a third Planning and Management Advisor to be based in Gaza Province. As with the other advisors, this person will assist the DPS to better define its needs and then to deliver the necessary resources to meet these needs. In Gaza, these needs will focus on drought-related issues, for at least the coming year, and longer if required.

#### **B.4 Program Management**

##### **B.4.1 Management of Water Supply Component**

To assist with project management and donor coordination of provision of rural water supply systems, USAID will hire a qualified engineer from local sources. This person will work with the USAID Engineering Officer, UNICEF staff, and PRONAR to oversee technical and administrative management of the water supply component of this project. Responsibilities will include the drafting of all program-related documentation (including the UNICEF grant), monitoring the implementation of the UNICEF and water-related PVO projects, liaising with all donors and implementation agencies, providing technical guidance where appropriate, and reporting regularly to USAID on project progress. Financing for the costs of this person will be covered by this PP supplement.

##### **B.4.2 Management of the Pharmaceutical and Health Component**

To assist with the rapid procurement of pharmaceuticals and long-term technical assistance, USAID proposes to hire an individual with prior experience related to AID program management for a two-year period. This person will be responsible for ensuring that drought-related activities are urgently addressed with resources provided under this PP supplement. Funding is provided for international recruitment.

#### **C Additional Outputs and Inputs**

The outputs listed within the original PP continue to be relevant under this supplement, with slight modifications. However, a sixth output is added to reflect the addition of the water supply component.

1. Health facilities supplied with necessary drugs and related services.

2. More productive health providers in Zambezia, Niassa, and Gaza. This output is about to be improved training, supervision, and management of health providers to improve health services and improved transportation, communication, and health care systems.

- 3 A decentralized system of planning, budgeting, financial management, supervision and program management better defined at all levels of the health system
- 4 IEC messages for MCH/FP including STDs/AIDS are more regularly and effectively delivered to Mozambican families in Zambezia, Niassa, Gaza, and Cabo Delgado Provinces
- 5 Development of a better understanding of policy issues which support preventive, PHC in Mozambique
- 6 Construction of water supplies to meet the needs of 450,000 persons in the drought-affected regions of the country

A revised budget, found in Table 1, provides detail on the financing of additional project inputs needed to achieve the six outputs listed above. The majority of supplemental funds (\$8.575 million of \$9.5 million) are allocated for drought-related water supplies, medicines, short-term TA for water, and an additional long-term advisor for Gaza Province. The remaining \$995,000 is allocated for in-country costs related to the decentralized provincial management component of the project (e.g., training, supervision flights, commodities and materials, etc), for condom supplies, and for USAID project management.

#### D. Expected Accomplishments (EOPS)

The original project paper described the successful achievement of all project activities as leading to increased coverage of health services and increased quality of care. These end of project status (EOPS) indicators were elaborated in the original PP as follows:

Achievement of the project purpose ("to enable the GRM to more efficiently and productively utilize resources in the health sector, especially for decentralized preventive and primary health care") will be evidenced by:

- \* Increased coverage of health services as measured by greater numbers of clients using PHC services (especially prenatal care, immunization services, diarrheal disease control services, malaria, family planning, nutrition, and STD preventive and treatment services and education).

- \* Increased quality of care as measured by greater numbers of clients receiving provider patient counseling, clinical and laboratory services, and other health services.

These EOPS continue to be appropriate and relevant in the current context. However, some require slight modification. Increased coverage of services will be measured by increased access to safe water supplies, increased quality of care will be measured by decreased stockouts of essential medicines and supplies for PHC services in drought-affected areas. These revisions are needed to ensure that the EOPS are

Table 1

MOZAMBIQUE PRIMARY HEALTH CARE SUPPORT PROJECT

## Revised Budget Summary

A I D Inputs (U S Dollars)

<u>ITEM</u>	<u>Original Project Budget</u>	<u>Supplemental Budget</u>	<u>Total Project Budget</u>
Essential Drugs and Contraceptives	12,026,068	332,234	12,358,303
Water Supplies and Pharmaceuticals (Drought Response)	0	6,500,000	6,500,000
Technical Assistance (Long- and Short-term)	4,698,828	2,075,386	6,774,214
In-Country Training	250,901	136,226	387,127
Air Flights/Supervision	584,799	287,766	872,565
Commodities/Materials/Supplies	591,316	119,824	711,140
Construction/Rehabilitation	232,400	66,200	298,600
Research/Monitoring/Eval/Audit	795,100	234,900	1,030,000
Project Management	226,000	295,100	521,100
Contingency	594,588	(547,635)	46,953
TOTAL	<u>20,000,000</u>	<u>9,500,000</u>	<u>29,500,000</u>

#### IV. SUPPLEMENTAL PROCUREMENT PLAN

As stated in the original PP, all project inputs will be procured or financed by A I D via direct grants, contracts, or PIOs under a Project Grant Agreement to the GRM

The procurement plans and responsibilities for the original project components (EDP support, long-term TA, and policy studies) remain as in the original PP. For the purposes of this supplement, only the additional inputs are described below. Every effort will be made under DFA financing to procure U S goods and services. Health and Population funds will observe code 000 (U S only) procurement regulations and will be used to procure technical assistance services in the U S. Pharmaceuticals will be procured from the U S or otherwise in accordance with the requirements of A I D Handbook 1B, section 4c3.

Funding for the construction of water supplies will be provided through a direct grant to UNICEF for the costs of equipment purchase, labor and associated costs, and UNICEF administration/overhead (5%). Short-term technical assistance for the water sector will be obtained through issuing a PIO/T for the procurement of services either through A I D buy-in contracts, IQCs, or via direct contracts issued by the Regional Contracts Office as appropriate.

A I D /FA/OP/COMS will directly procure pharmaceutical supplies after reviewing a PIO/C from USAID. Likewise, A I D will directly procure condoms after receiving a PIO/C from USAID. As needed, short-term technical assistance for the pharmaceutical sector will be obtained as described for the water sector above.

Long-term Technical Assistance for PHC planning and management will be procured by the Regional Contracts Office after a review of proposals submitted from interested firms. A contract will be awarded for the provision of all long-term TA in-country training, support for supervision and in-country travel, construction, and related costs. The original PP contains more detail regarding this procurement plans for this component.

Finally, USAID will directly employ, via a personal services contract (PSC) an internationally-recruited project manager and a locally-hired water and sanitation manager to provide project oversight and management for the drought-related phase of the program. These individuals will be hired for a two-year period with a possible extension if required.

#### V. REVISED IMPLEMENTATION RESPONSIBILITIES PLAN

##### A. Implementation Responsibilities

While the implementation responsibilities listed in the original PP continue to be valid, the following are suggested as additional responsibilities which reflect the additional activities described within this PP supplement.

(1) Ministry of Health/Maputo

In addition to the responsibilities listed within the original PP, the Ministry of Health is also responsible for signing a Memorandum of Understanding between the MOH, Ministry of Construction and Water, PRONAR, UNICEF, and USAID. The MOU will detail responsibilities for the implementation of water supply construction under this PP supplement.

(2) Provincial Health Directorate (DPS) in Gaza Province

As specified in the original PP, the DPS/Gaza will be responsible for the same activities as listed for the DPSs in Zambezia and Niassa Province. Please refer to the original PP pages 46-47 for detail.

(3) Ministry of Construction and Water (MCW)

At the central level, the MCW will be responsible for coordinating all activities in the project's water supply component, including the coordination between the UNICEF/PRONAR activities and those funded by NGOs under other USAID or other donor support.

In particular, the MCW will

- Sign the Memorandum of Understanding between the MCW, MOH, PRONAR, UNICEF, and USAID. The MOU will detail responsibilities for the implementation of the water supply component under this PP supplement.
- Ensure that the water supply component of the project is effectively carried out by PRONAR with assistance from UNICEF.
- Collaborate in the planning and implementation of all short-term consultancies provided in water sector area.
- Assist USAID in any evaluations which may occur of USAID-funded water activities.

(4) National Water Program (PRONAR)

PRONAR is responsible for overall implementation of all project field activities in the water sector. These involve the timely siting of water sources, and procurement of equipment and services for construction of water supplies.

In particular, PRONAR will

- Ensure that the water supply component of the project is effectively carried out with assistance from UNICEF
- Construct 165 new sources (20 hand-dug shallow well, 20 hand-drilled boreholes, and 125 deep machine-drilled boreholes) with the installation of 165 VLOM hand pumps,
- Rehabilitate 60 existing sources (40 hand-dug shallow wells and 20 machine-drilled boreholes) with the installation of 60 VLOM hand-pumps, and,
- Install 650 VLOM Afridev hand-pumps on existing sources
- Sign the Memorandum of Understanding between the MCW, MOH, PRONAR, UNICEF, and USAID. The MOU will detail responsibilities for the implementation of the water supply component under this PP supplement
- Collaborate in the planning and implementation of all short-term consultancies provided in water sector area
- Assist USAID in any evaluations which may occur of USAID-funded water activities

#### (5) UNICEF

In addition to the responsibilities listed within the original PP (for support to the Essential Drugs Program), UNICEF is also responsible for overall implementation of the water supply component of this project

In particular UNICEF will

- Ensure the timely implementation of water supply construction, rehabilitation, and training with project funds
- Handle the overall management of project funds for support to the water sector, including the procurement of equipment and supplies, contracting of labor, and associated costs
- Report regularly to USAID regarding the progress of project activities

#### (6) The Long-Term Institutional Technical Assistance Contractor

The additional long-term advisor, to be assigned to Gaza Province, will assume the same implementation responsibilities as listed within the original PP. As with the other advisors, this person will assist the DPS to better define its needs and to then deliver the necessary resources to meet these needs. In Gaza, these needs will focus on drought-related issues for at least the coming year, and longer if required. No further modifications are necessary.

(7) USAID/Maputo

In addition to the responsibilities listed within the original PP, USAID will

- Develop a grant with UNICEF for construction of water sources to meet the needs of 450,000 people,
- Prepare a Memorandum of Understanding between USAID, MCA, MOH, PRONAR, and UNICEF, to specify roles and responsibilities of each organization in the implementation of the water component of this project
- Hire a water sector manager and a health project manager to assist in oversight and management of project components

**B. REVISED IMPLEMENTATION PLAN**

As revised by this supplement, the project will be implemented over a 60-month period. Essential drug and contraceptive supplies are budgeted to meet national requirements over a three-year period. Technical assistance is also budgeted over a three-year period, but because the contract team is not expected to arrive until the second year of project implementation (approximately in month 19), their services will not be complete until the 55th month after the signing of the Project Agreement. Thus, the life-of-the-project is scheduled over a 60-month period or approximately August 1991 through August 1996.

The following describes the anticipated plan of implementation activities:

----- PROJECT YEAR ONE (Sept 91 - August 92) -----

Month 1	- Project Agreement Signed - Obligation of Funds	USAID, MOH
Month 2	- USAID Locates and Hires PSC for Project Oversight	

Month 6	- MOH meets conditions precedent	MOH
Month 7	- EDP Grant Agreement Signed	USAID, UNICEF RCO/Swaziland
	- PIO/T for Policy Studies Issued	USAID, RCO/ Swaziland
	- PIO/C for Contraceptives Issued	
	- Nominations for Policy Study Team Solicited	AID/W/ST/Health
	- Policy Study Team Members Approved	USAID, MOH
	- MOU signed between USAID and AMODEFA for assistance provided	USAID, AMODEFA
Month 10	- PP Supplement completed	USAID
	- Project Agreement Amendment Signed	USAID, MOH
	- Obligation of Funds	
	- PIO/T for Water Supplies	USAID
Month 11	- PIO/T for Logistics Manager Issued	USAID, RCO/ Swaziland
	- PIO/T for TA Contract Issued	
	- Grant with UNICEF signed for water supplies	
	- Advertisement for TA Contract Issued	USAID, RCO/ Swaziland
	- Discussions on EDP kit Composition	USAID, MOH, UNICEF
	- Policy Studies Begin	USAID, MOH, Contractor
	- Water Supply Construction construction begins	UNICEF, PRONAR
Month 12	- RFP for TA Contract Issued	USAID, RCO/ Swaziland
	- Logistics Management Contract Issued	

- Commodity Procurement and Identification of Housing/ Office Begins

Logistics Contractor

- MOH/AMODEFA provide annual report of contribution to project

MOH, AMODEFA

\*

----- PROJECT YEAR TWO (Sept 92 - August 93) -----

Month 13	- Water Supply Construction construction continues	UNICEF, PRONAR
	- Consultancy in Logistics Mgmt	USAID, MOH, AID/W/ST/Pop, AMODEFA
Month 14	- Proposals received for TA Contract	USAID, MOH, AMODEFA, RCO/ Swaziland
	- Technical & Cost Review	
	- Best & Final Offers Requested	
Month 15	- Policy Studies Completed & Reviewed	MOH, USAID, Contractor
Month 16	- Best & Final Offers received	MOH, USAID, AMODEFA
	- Technical Review of Offers	Proposed Contractors
	- Oral Interviews with Offerers	
	- Selection of Contractor	
	- Water Supply Construction construction continues	UNICEF, PRONAR
Month 17	- Contract for TA Awarded	RCO/Swaziland
	- Commodity Procurement and Identification of Housing/ Office Complete	Logistics Contractor

Month 18	- Consultancy in Logistics Mgmt	USAID, MOH, AID/W/ST/Pop, AMODEFA
	- Mid-term review of water supply component	USAID, UNICEF, PRONAR
Month 19	- Contract Team Arrives - Implementation Begins	TA Contractor
	- Arrangement for EDP Audit	USAID, UNICEF, MOH, RIG/Nairobi
Month 22	- Annual Workplan Prepared & Approved by USAID	Contractor, MOH, AMODEFA, USAID
	- Consultancy in Logistics Mgmt	USAID, MOH, AID/W/ST/Pop, AMODEFA
Month 23	- DHS Baseline Survey Prepared - Training for DPSs, Districts, Directors, and TBAs Planned	Contractor, MOH, AMODEFA
	- Contraceptive Procurement Reviewed and Submitted	USAID, MOH, AMODEFA
	- EDP Audit Begins	RIG/Nairobi, MOH
	- Water Supply Construction construction finishes	UNICEF, PRONAR
Month 24	- DHS Survey Implemented - Decentralization Analysis begins	Contractor, MOH, AMODEFA
----- PROJECT YEAR THREE (Sept 93 - August 94) -----		
Month 25	- DHS Survey Analyzed & Report Disseminated - Training Begins - Supervision Visits Begin	Contractor, MOH AMODEFA

	<ul style="list-style-type: none"> <li>- Rehabilitation of Rural Posts begins</li> <li>- Quarterly Reports Submitted</li> <li>- Consultancy in Logistics Mgmt</li> </ul>	<p>USAID, MOH, AID/W/ST/Pop, AMODEFA</p>
Month 26 to 33	<ul style="list-style-type: none"> <li>- On-Going Implementation of Provincial project activities</li> <li>- IEC Materials Developed &amp; pretested</li> <li>- Decentralization Guidelines Developed</li> <li>- Quarterly Reports Submitted</li> <li>- Consultancies as planned</li> </ul>	<p>Contractor, MOH, AMODEFA</p>
Month 35	<ul style="list-style-type: none"> <li>- Mid-Project Evaluation</li> <li>- Quarterly Reports Submitted</li> <li>- Mid-project Audit of TA Contract</li> <li>- MOH/AMODEFA provide annual report of contribution to project</li> <li>- Annual Work Plan Prepared &amp; submitted to USAID for approval</li> </ul>	<p>USAID, MOH, AMODEFA,</p> <p>Contractor, TA</p> <p>RIG/A/Wash Contractor</p> <p>MOH, AMODEFA</p> <p>Contractor, MOH, AMODEFA</p>
Month 36	<ul style="list-style-type: none"> <li>- Contraceptive Procurement Reviewed and Submitted</li> <li>- Mid-Project Evaluation</li> </ul>	<p>USAID, MOH, AMODEFA</p> <p>USAID, MOH, AMODEFA, Contractor</p>



## **VI. REVISED COST ESTIMATE AND FINANCIAL PLAN**

The total amount of funding required to implement the additional activities described within this PP Supplement is \$9.5 million, bringing total project funding to \$33.0 million. This is the amount of A I D inputs provided for all components of this project (\$29.5 million) and the estimated value of GRM and AMODEFA inputs (\$3.5 million) to the project.

Table 2 presents an illustrative budget of A I D inputs over the LOP. The original PP provided detail on the GRM and AMODEFA inputs to the project. Their contribution is unchanged under this PP supplement.

A I D inputs total \$29.5 million over the five-year life-of-project. Essential drugs and contraceptives continue to account for the largest portion of A I D funding (\$12 million) which is largely allocated to UNICEF for support to the essential drugs program (EDP). Pharmaceutical supplies account for a further \$4.0 million for procurement of additional medicines needed for drought-affected populations.

Support for construction of drought-related water supplies budgeted at \$2.0 million, will be granted to UNICEF for support to PRONAR. Additional short-term TA for water or other drought-related needs is budgeted at \$500,000.

Long-term and short-term technical assistance has increased to \$6.7 million to reflect the increase of three person-years for health planning and management in Gaza Province. All of the in-country activities which will be included within the overall TA contract (such as in-country training, supervision and in-country travel, commodities, materials, supplies, construction/rehabilitation, and support for in-country studies and research) have increased as well, reflecting the additional long-term advisor in Gaza Province and the extra support provided as a result of his/her presence.

Finally, additional funds are allocated for the recruitment of a USAID Project Manager who will be hired to assist in the management of the project activities funded by A I D.

A more detailed revised A I D budget is found in Annex E, "Revised Financial Analysis".

## **VII. EVALUATION AND AUDIT PLAN**

As this supplement adds complexity to the project, the project will conduct a mid-term review of the drought-related water supply and pharmaceutical components in FY93. Otherwise, the project's mid-term evaluation is scheduled for late FY 94 and the final evaluation for late FY 97.

Three non-federal audits continue to be included in the project. The first, an audit of the EDP program is now scheduled for year two of project implementation. This is postponed.

TABLE 2  
MOZAMBIQUE PRIMARY HEALTH CARE SUPPORT PROJECT  
ILLUSTRATIVE BUDGET SUMMARY

(in U.S. Dollars)

	Year 1	Year 2	Year 3	Year 4	TOTAL
<b>I ESSENTIAL DRUGS/CONTRACEPTIVES</b>					
Drug Procurement	2,700,000	3,105,000	3,570,750	0	9,375,750
Contraceptive Procurement	500,000	525,000	551,250	0	1,576,250
UNICEF Administration	439,000	467,350	499,953	0	1,406,303
<b>TOTAL EDP/Contraceptives #</b>	<b>3,639,000</b>	<b>4,097,350</b>	<b>4,621,953</b>	<b>0</b>	<b>12,358,303</b>
<b>II DROUGHT RESPONSE</b>					
Drought Water Supplies	0	1,910,492	0	0	1,910,492
UNICEF Administration	0	89,508	0	0	89,508
Drought Pharmaceutical Supplies	0	3,500,000	0	0	3,500,000
Air Transport Drought Activities	0	500,000	0	0	500,000
Additional Short-term TA	0	500,000	0	0	500,000
<b>TOTAL Drought Response</b>	<b>0</b>	<b>6,500,000</b>	<b>0</b>	<b>0</b>	<b>6,500,000</b>
<b>III TECHNICAL ASSISTANCE</b>					
Long-Term TA, Salaries/Fringe/Allow	0	677,350	704,191	732,344	2,113,885
Short Term TA	0	42,000	70,000	56,000	168,000
Travel/Transportation	0	338,960	85,546	427,701	852,207
Other Direct Costs	0	208,200	229,310	251,721	689,231
Overhead/G&A/Exp	0	975,656	949,962	1,025,274	2,950,892
<b>TOTAL TECHNICAL ASSISTANCE</b>	<b>0</b>	<b>2,242,166</b>	<b>2,039,009</b>	<b>2,493,040</b>	<b>6,774,215</b>
<b>IV IN-COUNTRY TRAINING</b>	<b>0</b>	<b>168,150</b>	<b>105,465</b>	<b>113,512</b>	<b>387,127</b>
<b>V SUPERVISION TRAVEL/TRANSPORT</b>					
Air Charter Services (3 Provinces)	0	216,000	259,200	311,040	786,240
MOH Airfare, PerDiem	0	14,880	16,368	18,005	49,253
AMODEFA Airfare, PerDiem	0	11,200	12,320	13,552	37,072
<b>TOTAL SUPERVISION TRAVEL/TRANSP</b>	<b>0</b>	<b>242,080</b>	<b>287,888</b>	<b>342,597</b>	<b>872,565</b>
<b>VI COMMODITIES MATERIALS, SUPPLIES</b>					
Computers, Software, Materials	70,000	0	0	0	70,000
Photocopiers Typewriters A/Cs	34,300	0	0	0	34,300
Vehicles	73,600	0	0	0	73,600
Housing/Office Furnishings	295,000	0	0	0	295,000
IEC Materials Development	0	0	125,000	100,000	225,000
Personnel Awards	0	4,000	4,400	4,840	13,240
<b>TOTAL COMMODITIES</b>	<b>472,900</b>	<b>4,000</b>	<b>79,400</b>	<b>104,840</b>	<b>11,140</b>
<b>V CONSTRUCTION/REHABILITATION</b>					
Lichinga House Rehabilitation	100,000	0	0	0	100,000
Upgrading Rural Facilities	0	60,000	66,000	72,600	198,600
<b>TOTAL CONSTRUCTION/REHABILITN</b>	<b>100,000</b>	<b>60,000</b>	<b>66,000</b>	<b>72,600</b>	<b>298,600</b>
<b>VI RESEARCH/MONITORING EVALUATION</b>					
Policy Studies	390,000	0	0	0	390,000
Demographic Health Survey	0	160,000	0	0	160,000
Special Studies	0	110,000	75,000	0	185,000
Evaluation/Audit	0	35,000	15,000	145,000	295,000
USAID Project Mgmt	40,000	237,000	44,100	0	321,100
Logistics Contract	200,000	0	0	0	200,000
<b>TOTAL RESEARCH/MONITORING EVAL</b>	<b>630,000</b>	<b>542,000</b>	<b>34,100</b>	<b>45,000</b>	<b>1,551,100</b>
<b>VII CONTINGENCY</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>46,950</b>
<b>PROJECT GRAND TOTAL</b>	<b>4,841,900</b>	<b>13,855,46</b>	<b>483,815</b>	<b>3,771,589</b>	<b>79,500,000</b>

from the date in the original PP. The other two audits will focus on the long-term TA Contractor and will focus on their financial compliance with the contract.

## VIII. SUMMARIES OF SUPPLEMENTAL AND REVISED ANALYSES

### A Environmental

A Negative Threshold Determination is recommended and Categorical Exclusions are available for certain activities. The proposed rural water schemes are not expected to present an environmental risk.

### B Supplementary Technical Analysis

There are several technical reasons why the PRONAR/UNICEF program was selected as an appropriate means for channelling support for drought relief in the context of longer-term PHC assistance. PRONAR's needs assessment for emergency drought relief has resulted in a technically sound, well planned, and comprehensive proposal. The EPARs and GEOMOC represent at present the most viable approach to drought relief as they already have underutilized capacity and are institutionally prepared to undertake the work. PRONAR's emergency implementation strategy is designed for quick results in a minimum time period. The strategy is weighted toward deep machine drilled boreholes, Afridev handpumps and community education activities which are considered to be the most technologically sound approaches in this drought period and for longer-term benefits. One possible limitation, however, will be the capacity of GEOMOC, the state drilling company, to drill all the deep boreholes required to implement the strategy. Other than this, there are no technical constraints among the entities involved under this PP supplement.

### C Supplementary Institutional Analysis

PRONAR facilitates the construction of most of the rural water supplies within Mozambique. Approximately 75 percent of PRONAR's budget is externally funded, with UNICEF providing the largest portion of assistance (45 percent). UNICEF has worked closely with PRONAR since 1985, providing substantial technical and financial assistance to the organization. UNICEF's support to PRONAR has contributed to an overall production increase over the 1985-89 period.

PRONAR does not itself directly construct the water supply sources, although it does undertake all the planning necessary (siting, costing, community contact) to commence a project. The actual construction and community development is undertaken by a sub-contractor (EPARs) located in each of the provinces. Where deep borehole drilling is required, PRONAR contracts with GEOMOC, the state drilling company, to undertake the

work

Staffing and management systems do not appear to be major limitations within PRONAR or the EPARs. Rather, lack of financial resources has most limited the capacity of the sector, particularly in the last two years when reduced GRM resources to PRONAR meant that their capacity was not fully financed or utilized.

Poor management within GEOMOC, however, could be a limitation in the successful implementation of the drought relief activities within this PP supplement. UNICEF, however, is actively addressing this issue with PRONAR and at provincial level. Support provided under this PP Supplement will bring PRONAR's capacity to its maximum over a one-year period.

REVISÉD LOGICAL FRAMEWORK  
 Primary Health Care Support Project  
 (CSO-0226)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><b>Program or Sector Goal</b></p> <p>To contribute to the overall improvement of health status, especially among women and children</p>	<p><b>Measures of Goal Achievement</b></p> <p>Decreased mortality and morbidity among women and children under five years of age from current ('91) levels of IMR 190, CMR 297, MMR 300, LBW 20%, Growth Faltering - 11-16%</p>	<ul style="list-style-type: none"> <li>- National and regional statistics on service delivery, morbidity, facility admissions, mortality, nutritional status, etc</li> <li>- Surveys and field trip reports</li> <li>- Census information</li> <li>- Evaluation results</li> <li>- Other donor documents</li> </ul>	<ul style="list-style-type: none"> <li>- No worsening of security</li> <li>- GOM and donor support for the health sector will continue at least at current levels</li> <li>- No worsening of food security situation at household level</li> <li>- No expansion of unhealthy health care practices at home</li> </ul>
<p><b>Program or Sector Purpose</b></p> <p>To enable to GRM to more efficiently and productively utilize resources in the health sector, especially for decentralized, preventive, primary health care.</p>	<p><b>Conditions Indicating Achievement End of Program Status (EOPS)</b></p> <p>Increased coverage as measured by increased utilization of women and children receiving MCH/FP and PHC services (including prenatal care, EPI, CDD, malaria, family planning, nutrition, and STD preventive and treatment services and education), and increased access to potable water supplies.</p> <p>Increased quality of care as measured by reduced discontinuation, increased provider-patient contact, diminished vaccine failure, better sterilization practices, reduction in stockouts of essential medicines, etc</p>	<ul style="list-style-type: none"> <li>- Service statistics</li> <li>- MOH operational and clinical records</li> <li>- Field and site visits</li> <li>- Evaluation reports</li> <li>- Studies and surveys</li> <li>- Pre- and post-project analyses</li> </ul>	<ul style="list-style-type: none"> <li>- GOM continues to endorse strategies for primary and preventive health care including family planning</li> <li>- Other donors will continue to support the public health sector for nutrition and STD control</li> <li>- Donor support for health information activities at current levels</li> <li>- Increased availability of information &amp; improved technical managerial training will lead to increased utilization of services.</li> </ul>
<p><b>Outputs</b></p> <p>1 Health facilities supplied with essential drugs and contraceptives on a steady and reliable basis</p> <p>2 More productive health providers and more effective management support to those providers in Zambezia, Gaza, and Niassa Provinces</p>	<ul style="list-style-type: none"> <li>- Adequate reserves of essential drugs and contraceptives maintained at all levels of the delivery system (national, provincial, district and facility)</li> <li>- Distribution of contraceptives included in EDP kits</li> <li>- Reduced stockouts, wastage of MCH/FP supplies for PHC</li> <li>- Provincial action plans (with budgets) produced for Zambezia, Gaza, and Niassa Province based on needs assessment and established priorities</li> </ul>	<ul style="list-style-type: none"> <li>- Commodity receiving reports and receipts</li> <li>- EDP and contraceptive inventory records at all levels of the health system</li> <li>- UNICEF records</li> <li>- Program plans and budgets</li> <li>- Supervision reports</li> <li>- Evaluation reports</li> <li>- Field and site visits</li> <li>- MOH FP staff in place</li> </ul>	<ul style="list-style-type: none"> <li>- Other drugs, vaccines, and MCH/FP supplies are consistently available for Level I facilities</li> <li>- Security situation does not preclude implementation of project activities at provincial level</li> <li>- MOH continues to endorse child spacing and family planning activities.</li> <li>- Coordination between World Bank UNICEF FINNIDA DANIDA, and AID in strengthening the MOH continues constructively</li> <li>- MOH can retained trained staff</li> </ul>

	<ul style="list-style-type: none"> <li>- More consistent and effective supervision and management support to district personnel</li> <li>- Preventive, PHC (including FP) more effectively integrated into district curative services</li> <li>- 500 health care staff trained in personnel management, leadership, planning, HTS, financial mgmt, MCH /FP interventions, and supervision in the three Provinces</li> <li>- 150 TBAs trained in safe motherhood techniques</li> <li>- 25 rural health posts upgraded</li> </ul>	<ul style="list-style-type: none"> <li>- Project progress reports</li> <li>- Consultancy reports</li> <li>- Evaluations of training sessions</li> <li>- MOH operational and clinical records</li> <li>- Studies and surveys</li> <li>- Pre- and post-project analyses</li> <li>- Other donor reports</li> </ul>	<ul style="list-style-type: none"> <li>- MOH assigns sufficient human &amp; material resources for successful implementation of project activities</li> <li>- Improvements can be made within cultural, economic, and bureaucratic environment</li> </ul>
<p>3 A decentralized system of planning, budgeting, financial management, supervision, and program management better defined and implemented at national &amp; provincial level</p>	<ul style="list-style-type: none"> <li>- Study conducted on decentralization issues and requirements</li> <li>- Decentralization guidelines produced at national level</li> <li>- 65 provincial level staff trained to assume greater responsibility for decentralized management and planning</li> </ul>	<ul style="list-style-type: none"> <li>- Study reports</li> <li>- Project progress reports</li> <li>- Guidelines document</li> </ul>	
<p>4 IEC messages for MCH/FP are more regularly and effectively delivered to Mozambican families in Zambezia, Niassa, and Cabo Delgado Provinces.</p>	<ul style="list-style-type: none"> <li>- Formative research conducted on health problems and behaviors among Mozambican families in the three provinces</li> <li>- Radio messages, printed materials developed, pre-tested, and disseminated in the 3 provinces</li> <li>- Messages regularly evaluated for impact and understanding</li> <li>- A local NGO is strengthened as a leader for MCH/FP IEC</li> </ul>	<ul style="list-style-type: none"> <li>- Data analysis reports</li> <li>- Ad hoc monitoring of radio &amp; TV spots</li> <li>- Brochures/posters evident in all MOH facilities</li> <li>- Field and Site visits</li> <li>- Evaluation reports</li> <li>- Other donor reports</li> </ul>	
<p>5 Development of a better understanding of policy issues which support preventive, PHC</p>	<ul style="list-style-type: none"> <li>- Three studies conducted on (1) role of private sector in services delivery, (2) improvements in the functioning and financing of the pharmaceutical sector, (3) the appropriate allocation of MOH budgetary resources toward preventive, PHC services</li> </ul>	<ul style="list-style-type: none"> <li>- Study reports</li> </ul>	
<p>6 Construction of water supplies to meet the needs of drought-affected populations</p>	<ul style="list-style-type: none"> <li>- Provide sufficient wells to serve 400,000 people</li> </ul>	<ul style="list-style-type: none"> <li>- UNICEF reports</li> <li>- Site visits</li> </ul>	<ul style="list-style-type: none"> <li>- That UNICEF &amp; PROMAR are able to meet projected drilling work load, and that the wet/dry ratio remains unchanged</li> </ul>

Inputs	Funding Targets	
Essential Drugs/Contraceptives	\$ 12.35 million	<ul style="list-style-type: none"> <li>- Qualified expatriates can be hired and housed</li> <li>- Local or international procurement of commodities conforms to AID regulations in cost-effective manner</li> <li>- MOH staff available for training</li> </ul>
Drought Medicines	4.00 million	
Drought Water Supplies	2.00 million	
Drought TA for Water/Pharmaceut	0.50 million	
Technical Assistance (216 pm long-term TA and 29 pm short-term TA and contract admin )	6.70 million	
In-Country Training	0.38 million	
Supervision Travel/Transport	0.87 million	
Commodities/Materials	0.71 million	
Construction/Rehabilitation	0.29 million	
Research, Monitoring, Evaluation/Audits	1.51 million	
Contingency	0.08 million	
<b>ROUNDED TOTAL</b>	<b>\$ 26.50 million</b>	

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## ANNEX B

### TECHNICAL ANALYSIS

The PRONAR/UNICEF program has been selected as an appropriate means for channelling funding to meet the identified requirements for water supply for several reasons

The needs assessment developed within the Emergency Plan by PRONAR, appears to be soundly based upon considerable field work and investigations, and has included substantial interfacing with the provincial authorities. This has resulted in a well presented, planned, and comprehensive proposal

The implementing reliability and capacity of PRONAR is well documented in recent years since the involvement of UNICEF. The productivity limitations of PRONAR have, we are informed, been due to insufficient funding of the government water sector

The water source constructing bodies of GEOMOC and EPAR represent at present the most viable approach to immediate drought response. As they already have an established implementing strategy and methodology which has been developed through UNICEF expertise, they appear the most easily mobilized option within the shortest time frame

UNICEF has identified several constraints which may have contributed to GEOMOC's limited production in recent years. Apart from the already mentioned falling budget levels, port clearance problems for necessary equipment and spares, and unavoidable equipment breakdowns are considered instrumental. However, it is felt by both UNICEF and PRONAR, that poor management has been the principal constraint for GEOMOC. UNICEF is actively addressing this management issue with PRONAR at head office and provincial level

#### Technological Choice

##### Choice of strategy

The PRONAR/UNICEF strategy to weight the Emergency Plan towards deep machine drilled boreholes is appropriate considering the rate of falling water tables. The approach is more sustainable should there be similar drought problems in future years. Machine drilled boreholes average 40 - 60m depth, although as deep as 150m is not uncommon in some areas of Mozambique

### Choice of hand pump

Previously the choice of hand pump in Mozambique has been the India Mark II (locally known as the "bomba rural") This pump was installed in large numbers, but required centralized maintenance Decentralized maintenance is now considered a more appropriate option for sustainable water source operation and maintenance

The selected Afridev hand pump meets all requirements of low tech Village Level Operation and Maintenance (VLOM) The standard pump has plastic down-the-hole components, and state of the art plastic innovations above ground It is easily operated and maintained, especially by women Although UNICEF is currently running a program to manufacture the Afridev in country, only 100 are estimated to be completed by the end of 1992 In the meantime, until supplies are built up, Pakistan and India have been chosen as the point of procurement, both for cost and availability reasons This is not the first program under which Afridevs have been procured for Mozambique Within the last 2 years, 10 Afridev hand pumps were procured by PRONAR from Kenya, and installed successfully in the provinces of Maputo, Sofala and Nampula

### Choice of education support

To be successful, it has been proven, world-wide, that a new water source program must include a strong community participation and hygiene education component (PEC) UNICEF has worked with EPAR within PRONAR to develop this PEC component Despite the PRONAR/UNICEF plan being to meet an emergency situation, the community education component will be implemented at the same time as the water source construction The community education will be comprehensive and in addition to correct operation and maintenance of the hand pump, will include correct care of the well head area, and methods for correct storage and transportation of water

ANNEX C  
SUPPLEMENTARY INSTITUTIONAL ANALYSIS

INTER-ORGANIZATIONAL RELATIONSHIP

It was in 1985 that UNICEF (United Nations Children Fund) began its technical assistance to the National Rural Water Supply Program (PRONAR), within the National Directorate for Water (DNA), Ministry of Construction and Water (MCA). Since the initiation of this relationship, the production rate for newly developed water sources has dramatically improved, and a more integrated approach to water supply and sanitation has been achieved, allowing community participation "software" issues to be woven into the "hardware" water source construction process.

This project will support the DNA/PRONAR Emergency Plan by channeling funding through UNICEF. A brief analysis of the PRONAR and UNICEF institutions is required.

PRONAR ORGANIZATIONAL STRUCTURING AND STAFFING

The National Rural Water Supply Program (PRONAR) operates under the National Directorate for Water, within the Ministry for Construction and Water. All project implementation occurs through the 10 Provincial Directorates for Construction and Water (DPCA). (Refer to "Water sector in Mozambique" organogram)

At DPCA level there are only 4-5 civil servants employed who deal directly with the water sector. For this reason, when a well or borehole needs constructing, the DPCA "contracts out" to the following two organizations:

If it is a deep borehole which is required, the State Water Drilling Company (GEOMOC) is requested to assist.

GEOMOC

Although state owned, GEOMOC occasionally advertises itself as a private firm. DPCA and GEOMOC then undertake a price negotiation, and upon agreement a contract is signed.

GEOMOC has offices at National and Provincial level

Expertise and Equipment

All technical siting of boreholes is undertaken by GEOMOC. GEOMOC has geophysical siting equipment available in some provinces, but by no means all. The GEOMOC drilling failure rate is reported at just 5%.

Drilling rigs at their disposal in the 6 provinces concerned under Phase I of the Emergency Plan, according to GEOMOC (May 1992) are

<u>Province</u>	<u>Drilling Rigs</u>	
Tete	3 Percussion	1 Rotary (Ingersoll)
Sofala	3 Percussion	1 Rotary
Inhambane	5 Percussion	2 Small Percussion 1 Rotary
Gaza	8 Rotary (Russian)	
Maputo	3 Rotary	1 Percussion
Manica	5 Percussion	
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TOTAL	19 Percussion	14 Rotary

If a shallow hand dug/drilled well is required, then the DPCA contact the Provincial Rural Water Supply Workshops (EPARs). Under normal circumstances, each well is intended to serve 500 people, within a maximum walking distance of 500m. The wells are designed to provide at least 20 litres of water per capita per day. The rural coverage of potable water has grown from 6% in 1980 to nearly 30% in 1992.

EPARs

The EPARs are staffed by private sector personnel, who bid on work when available. The EPARs operate from Provincial level.

Expertise and Equipment

The EPARs have their own technical expertise as built up since 1985 when UNICEF began its program with PRONAR to establish the Provincial Rural Water Supply Workshops. At provincial level they are in possession of all hand augering and hand drilling equipment needed to implement shallow wells. In a number of provinces workshops have been established through EPAR for the manufacture of concrete rings for the lining of wells.

### PRONAR Staffing at National Level

**Technical Staff** There are 4 expatriate posts at PRONAR's head office in Maputo. Of the local staff, 1 is full-time and university trained, 2 are part-time and university trained (currently in their final year of study), 5 are medium level technicians, and 3 basic level technicians. These are further backed by technical staff at provincial level.

**Logistics and Administrative Staff** In addition to the technical staff at National level, there are approximately 17 personnel within the administration and logistics support section. PRONAR currently has 8 shipping containers designated for coastal transportation of equipment and supplies relating to rural water and sanitation projects. These are further backed by logistics and administrative staff at Provincial level.

### Training Program

PRONAR has an active program of training at several levels, some of which is backed by funding from the UNICEF Water and Sanitation sector.

Annually, PRONAR funds the training of 70-80 staff on a 3 year basic level course at the National Training Centre in Maputo.

On completion of this basic level course, 10 students are selected to go on to the medium level technical course. These students by this stage are in possession of about 8 to 10 years field experience.

PRONAR also sponsors two students who are in their final year at the University of Eduardo Mondlane, Maputo. These students work part-time within PRONAR. One condition is that they undertake their final year dissertation on a hydrology/geology/hydrogeology related subject. On completion of their final year at university PRONAR is normally in a position to offer them employment, although past experience has shown they are normally attracted to the private sector.

Annually, PRONAR offers one training seminar for the animators connected to the PEC (Community participation and hygiene).

Once every two years a National Seminar is held on technical and management issues, to which provincial level staff are invited. The last seminar was held in February of 1991, when one of the principal points for technical discussion was the phasing-in of the Afridev hand

pump to replace the India Mark II

PRONAR is currently running an "ad hoc" training course in quality control for the Provincial Directorates of Construction and Water (DPCAs)

#### Management and Administration

Within PRONAR at National head office level in Maputo there are approximately 17 personnel in administration and logistics. The main logistics centre is in Maputo, with a second office in Beira. These offices deal with customs clearance and all internal transportation of equipment and supplies. These are further backed by administration and logistics staff at Provincial level.

#### PRONAR Budget

Approximately 75% of the PRONAR budget comes from external assistance, with UNICEF providing the largest portion (~45.5%)

PRONAR's 1992 basic budget (Mozambique Government) is as follows -

Provincial investments budgets	± 1,000,000,000Mt
FAAR budget for deep boreholes	± 1,450,000,000Mt
Small water systems budget	± 850,000,000Mt
PRONAR logistic budget	± 1,500,000,000Mt

It is estimated that PRONAR will have access to these budgets by July, 1992

#### PRONAR Accounting

At national level, PRONAR accounts auditing is done by the Ministry of Finance through the Ministry of Construction and Water on a three monthly basis. Apart from this regular audit system, the Ministry of Finance does very detailed audits whenever and wherever they consider it necessary.

The provincial budgets are audited through the provincial directorates of Finance.

Apart from the GRM budgets, donors- multilateral, bilateral, and NGOs, do provide additional investment budgets for water source interventions. The audit system varies per donor, as does the total annual value of these additional investment budgets.

Given the constraint of inadequate numbers of qualified staff within the water sector of the

government, it is considered ill advised, at this time, to embark upon direct transference of funds to the government. By channelling the funds through UNICEF this will allow tighter control on budgeting and accounting procedures.

### Monitoring and Evaluation

In theory every new water source should be checked for quality control at district level. Although much ground is covered by the monitors at district level it is not always possible for travel logistic problems to visit every installation. To that end, what actually takes place in practice is the DPCA where not able to visit each site will randomly select sites. On an "ad hoc" basis monitoring of the monitors also takes place.

### Reporting

Reports are received on a monthly basis from every province. Each province is visited approximately 3 to 4 times a year.

Quarterly, half-annual, and annual reports for each province are prepared by PRONAR.

### UNICEF

UNICEF is the United Nations Children Fund. Their project activities in Mozambique cover several aspects of child and adult education (especially of women), primary health care, mother and child health, nutrition, family welfare, essential drugs, epidemiology, rural development, agriculture, children in difficult circumstances, emergency rehabilitation, and water and sanitation.

UNICEF's relationship with PRONAR (National Rural Water Supply Program) concerns their Water and Sanitation Program. This program can broadly be characterized as follows:

It is implemented completely through government counterparts. Besides PRONAR, the other counterparts are GEOMOC (the state water drilling company), PAABP (Peri-urban Water Supply Program), INPF (National Institute for Physical Planning [peri-urban sanitation]) and the EPAR (Provincial Rural Water Workshops, which come directly under PRONAR).

### UNICEF's Water and sanitation Principal Programming Areas

- \* institutional capacity building and human resource development
- \* construction of shallow wells, hand drilled boreholes, and machine drilled boreholes
- \* local manufacture of VLOM hand pumps
- \* rehabilitation, expansion, and construction of small piped water systems
- \* community participation and hygiene education
- \* rural sanitation pilot projects (including pit latrines)
- \* peri-urban sanitation

### Water and Sanitation Program Progress

To date UNICEF's water and sanitation sector has had success in the areas of

- \* steady improvement in government management and implementation capacity
- \* between 500,000 and 700,000 beneficiaries per year through PRONAR
- \* standardization on, and start of local manufacture of, VLOM Afridév hand pumps
- \* greater government emphasis on sanitation
- \* emerging government awareness of the need to scale down the complexity of the present day drilling program

### Staffing

The water and sanitation section at UNICEF has 4 international staff. The local staff consist of 1 professional, 1 semi-professional employed in fiscal accounting, and 3 secretaries.

### Training and Supervision Program

UNICEF's water and sanitation training program is done in conjunction with PRONAR. At national level UNICEF contributes substantially to the salaries of the 4 expatriates employed by PRONAR.

UNICEF also contributes to the salaries of a number of lecturers at the National Training Centre in Maputo. These lecturers are involved with the training courses jointly funded by UNICEF and PRONAR for the training of basic and medium level technicians.

UNICEF is involved jointly with PRONAR in the training of animators for the community.

participation and hygiene education component of water supply and sanitation interventions

### Procurement of Equipment and Materials

At national level UNICEF conducts its own procurement from a central procurement section. An item request in excess of US \$ 5,000 must first be approved by the Copenhagen office, which deals with such requests from all 131 countries where UNICEF has offices. Upon approval an item in excess of US \$ 5,000 can be procured locally.

### Budgeting and Accounting

In 1991, the financial disbursement by type for the UNICEF water and sanitation sector was as follows:

<u>Activity</u>	<u>%</u>
Boreholes	30
Rural sanitation	3
Hand pumps	3
Peri-urban sanitation	4
Hydrogeological map	4
PEC	4
Recurrent costs (salaries etc)	11
Wells	11
Capacity building (top-up salaries)	14
Systems (small piped)	16
	-----
	100

In 1991, the UNICEF general resources budget plus bilateral funding totalled US \$ 4.0 million. The UNICEF water and sanitation budget for 1992 will be in the region of US \$ 3.4 million.

Every year, a team from the New York office visits Maputo for an internal accounts audit.

The UNICEF accounts are not audited externally

### Monitoring and Evaluation

UNICEF's monitoring and evaluation is done by field trips on a project by project basis. The field visits are conducted by UNICEF project officers, together with their government counterparts.

Occasionally, UNICEF will call in specialist consultants to conduct monitoring and evaluation exercises.

### Reporting

After each field visit by project officer, an internal report is written. Reporting is done on all monitoring and evaluation visits. UNICEF provides an annual report for its donors, and periodic reporting as and when requested by donors.

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12 June 1992

ANNEX D

ILLUSTRATIVE LIST OF PHARMACEUTICALS FOR DROUGHT RESPONSE

Item	Dose Form and Packaging	Quantity Required
<b>HEART AND DIURETIC THERAPY</b>		
Methyldopa alpha	250 mg tablets (in 1 000 tablet packages)	tab 1,500,000
Furosemide	40 mg tablets (in 1 000 tablet packages)	tab 3 000,000
Amiloride	5 mg tablets (in 1,000 tablet packages)	tab 3,000,000
<b>GASTROINTESTINAL</b>		
Aluminum Hydroxide	400 mg tablets (in 1 000 tablet packages)	tab 3,000,000
Atropine	0.5 mg tablets (in 1 000 tablet packages)	tabs 3 000 000
Dimethylpolysiloxan	250 mg tablets (in 1 000 tablet packages)	tab 2 000,000
<b>EYES AND EARS</b>		
Atropine Sulphate	50 mg / 5 gram tube of ointment	tube 30,000
Phenylephrine	12.5 mg / 10 ml bottle eye drops	bottle 30 000
Phenylephrine	1 gram / 10 ml bottle eye drops	bottle 20,000
Phenylephrine HCl	50 mg / 10 ml bottle nose drops	bottle 50,000
Pilocarpine HCl 4%	400 mg / 10 ml bottle eye drops	bottle 1 000
Pilocarpine HCl	150 mg / 5 gr tube of eye ointment	tube 5 000
Tetracycline 1%	50 mg / 5 gram tube of eye ointment	tube 300,000
Phenazone + Procaine	500 + 100 mg / 10 ml bottle eye drops	bottle 50 000
<b>ASTHMA, RESPIRATORY</b>		
Aminophylline	240 mg/10 ml injection (in ?? ampules)	ampule 100 000
Terbutaline Sulphate	20 mg tablets (in 500 tablet packages)	tabs 500 000
<b>ANTI INFECTIVE AGENTS</b>		
Ampicillin	500 mg / 5 ml injection (in ?? doses per vial)	vials 100 000
Erythromycin BP	500 mg tablets (in 500 tablet packages)	tabs 3 000 000
Gentamicyn	80 mg / 2 ml injections (in ?? dose ampules)	ampule 200 000
Gentamicyn	20 mg / ml injections (in ?? dose ampules)	ampule 105 000
Cloxacillin Sodium	250 mg capsules (in 1 000 capsule packages)	caps 2 500 000
Kanamycin Sulphate	75 mg / 2 ml injection (in ?? doses per vial)	vials 75 000
Penicillin	1 000 000 IU injections (in ?? doses per vial)	vials 30 000

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Benzat Penicillin	2 400 000 IU injections (in ?? doses per vial)	vials	200,000
Procaine Penicillin	3 000 000 IU injections (in ?? doses per vial)	vials	1 500 000
Tetracycline HCl	500 mg capsules (in 1 000 capsule packages)	caps	3,500 000
Doxycycline HCl	100 mg capsules (in 1 000 capsule packages)	caps	2 000 000
Phenoxymethylpenic	500 mg tablets (in 1 000 tablet packages)	tabs	3 500 000
Diethylcarbamazine	50 mg tablets (in 500 tablet packages)	tabs	100 000
Mebendazole	100 mg tablets (in 1 000 tablet packages)	tabs	5 000 000
Metronidazole	250 mg tablets (in 1 000 tablet packages)	tabs	4 000 000
Clofazimine	100 mg capsules (in 1 000 capsule packages)	caps	600 000
Dapsone	100 mg tablets (in 1 000 tablet packages)	tabs	1 000 000
Chloroquine Di Phosph	250 mg tablets (in 1 000 tablet packages)	tabs	40,000,000
Amodiaquine HCl	200 mg tablets (in 1 000 tablet packages)	tabs	300 000

DERMATOLOGICAL

Tetracycline HCl	3 / 20 gram tube skin ointment (?? g tube)	tubes	700 000
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NUTRITIONAL AGENTS

Instant Milk	450 g powder/can	cans	834
Maternalized Milk	450 g powder/can	cans	1 250
Sacarina	250 mg tablets (in 100 tablet packages)	tabs	2 000 000
Calcium Effervescient	3 24 gram tablets (in 20 tablet packages)	tabs	1,500 000
Ascorbic Acid	100 mg tablets (in 1,000 tablet packages)	tabs	3,000 000
Folic Acid	5 mg tablets (in 1,000 tablet packages)	tabs	2,500 000
Vitamin B Complex	15mg+15mg+50mg tablets (in 1 000 tablet packages)	tabs	4 000,000
Multivitamin	coated tablets (in 1,000 tablet packages)	tabs	7,000,000
Ferrous Sulphate	200 mg tablets (in 1 000 tablet packages)	tabs	6,000,000
Ferrous Sulphate + Folic Acid	200mg + 0 25mg tablets (in 1 000 tablet packages)	tabs	5,000,000

SNAKE BITE SERUM

Polyvalent Anti Ophidic Serum	10 ml injections (in ?? doses per vial)	vials	300
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ANALGESICS

Acetylsalicylic Acid	500 mg tablets (in 1 000 tablet packages)	tabs	75 000 000
Paracetamol	500 mg tablets (in 1 000 tablet packages)	tabs	5,000 000

ANTI EPILEPTICS

Phenobarbital	100 mg tablets (in 1 000 tablet packages)	tabs	2 500 000
Phenobarbital	15 mg tablets (in 1 000 tablet packages)	tabs	200 000
Carbamazepine	200 mg tablets (in 1 000 tablet packages)	tabs	50 000
Phenytoin Sodium	100 mg tablets (in 1 000 tablet packages)	tabs	500 000

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OTHERS

Glibenclamide	5 mg tablets (in 1 000 tablet packages)	tabs	500 000
Methylethergometrine	15 mg tablets (in 1 000 tablet packages)	tabs	2 000 000
Fludrocortisone	1 mg capsules (in 300 capsule package)	caps	30 000
Chloramphenicol	250 mg capsules (in 100 capsule packages)	caps	3 000 000

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ANNEX E

REVISED FINANCIAL ANALYSIS

The following Financial Analysis replaces that found in the original Project Paper (PP) All costs listed below are updated as required to reflect relevant activities within the project

The Primary Health Care Support Project, as revised by this PP supplement, will assist the Ministry of Health (MOH) in its mandate to provide quality primary health care services and will assist in urgently needed water and pharmaceutical support for drought relief

The project, as revised by this document, contains seven discrete interventions The first is to ensure a reliable and constant supply of essential drugs and contraceptives in Mozambique throughout the first three years of the life-of-project Second, the project provides supplemental support in the pharmaceutical sector to meet the increased needs of drought victims Third, the project supports the construction of water supplies for drought-affected communities Fourth, the project funds three distinct policy studies to explore critical policy issues within the health sector Fifth, the project assists the decentralization efforts of the MOH by strengthening planning, budgeting and management at the provincial, district and health post levels in three provinces Sixth, assistance is provided to the local IPFF affiliate, AMODEFA, in furthering its IEC efforts to strengthen family planning and STD activities (particularly in four provinces -- the three targeted for management/planning assistance and Cabo Delgado as a fourth "control" province) Finally, seventh, is funding for USAID project management

\$29.5 million for these activities will be fully obligated with the FY92 obligation of \$9.5 million Table A within this annex provides a detailed breakdown of project costs and should be reviewed in conjunction with the following for a complete understanding of project inputs

I ESSENTIAL DRUGS AND CONTRACEPTIVES (\$12,358,303)

By far the greatest cost in this project involves the procurement of essential drugs (\$9,375,750) and contraceptives (\$1,576,250) A 15% annual inflation rate is used for the costs of essential drugs, and a 5% inflation rate is used for the costs of contraceptives The pharmaceuticals will be procured by UNICEF in accordance with a grant agreement with USAID Normal A I D /W channels will be used to procure the contraceptives In addition

## SOURCE SELECTION INFORMATION

see FAR 3 104

Annex E

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to these costs, subject to further AID review and approval, AID will fund UNICEF New York Overhead (7%) for a total of \$656,303, and the salaries and benefits of four UNICEF/Mozambique Essential Drug Project staff (EDP Officer, an Assistant, a Secretary, and a Financial Officer (\$750,000)

Funding for drug and contraceptive procurement is provided for the first three years of project implementation, but if additional funds become available, USAID will consider expanding this to years 4 and 5. Transportation costs within Mozambique of the essential drugs and contraceptives is covered by the GRM with support from other donors. However, in year 3 of project implementation, USAID will make an evaluation to determine if additional resources are required to cover these costs, and if funds are available, will consider expanding support to the EDP for this purpose.

### II PHARMACEUTICALS (\$4,000,000)

To address the immediate pharmaceutical needs of health facilities in the southern provinces, the project provides funds for the procurement of critically required medicines (\$3.5 million) and transport (\$500,000) to Maputo. Transport within Mozambique will be the responsibility of MEDIMOC.

### III WATER SUPPLIES (\$2,000,000)

To construct water supplies through UNICEF and PRONAR, the project provides \$1,790,152 to cover the costs of labor and equipment (AfrDev pumps, piping) and \$90,000 for transport of equipment to and within Mozambique. UNICEF Overhead at 5 percent (\$89,508) and contingency (\$30,340) are also budgeted for this component.

### IV POLICY STUDIES (\$390,000)

The Project will fund three important Policy Studies concerning (a) the increased privatization of health services, (b) the possibilities for privatization of the supply and delivery of pharmaceuticals with resulting budgetary transparency and an increase in financial resources available to the MOH, and (3) an intensive review of the MOH's budget to determine how best to shift additional resources into preventive health services. Each study is budgeted at \$130,000 for a total project funding of \$390,000.

USAID, in cooperation with the MOH, will either a) buy-in to the A I D /Washington Health Financing and Sustainability Project (936-5974) or b) advertise, review proposals and award a contract for the studies to the most highly qualified health services firm

V TECHNICAL ASSISTANCE CONTRACT (\$8,815,745)

Within this contract, funding is provided for salaries and benefits of all technical assistance staff, travel and transport, allowances, other direct costs (including housing, office expenses) training and supervision activities, operations research, IEC materials, development and support to AMODEFA. A contract for the provision of technical services over the life of the project will be negotiated by USAID in cooperation with the MOH. It is expected that the TA contract will begin between the 18th month and the 24th month of the project, but for budget purposes, all costs within this component are listed over a 3-year period beginning in year 2

USAID will directly procure furnishings and equipment for five houses, four offices to be located in the MOH, AMODEFA, and the two MOH Provincial Offices in Niassa and Zambezia, and a separate Maputo Office to be established for the Chief-of-Party (see VI, "USAID costs", below)

A Long Term Staff Salaries, Fringe and Overhead (\$2,488,793)

Salary costs for the Decentralization Advisor/Chief of Party will total \$185,454. The incumbent will supervise the work at the provincial level of three Management Advisor and a Training Advisor (\$154,545 each) and the IEC Advisor at AMODEFA (\$170,000). In addition, \$46,364 is budgeted for home office support over the LOP based upon services being rendered during three months of each year by one home office employee earning \$60,000/year. A 3% annual inflation rate for salaries is applied to the budget for years 3 and 4.

Fringe benefits are calculated at 22% of salaries, to total \$224,399. Lastly, overhead (100% of salaries and fringe Benefits) is calculated at \$1,244,396.

B Travel and Transport (\$852,207)

(1) International

\$144,000 is budgeted for international travel (US-Mozambique-US) for the six contractor employees and their families (an average of employee, spouse, and two children). The five families will require temporary lodging on arrival and departure totaling \$63,000. Unaccompanied Air Freight for arrival and departure will total \$48,000. Sea freight and storage over the three year project life will amount to \$349,200. While stationed in Mozambique, the families will be entitled to one R&R to Athens (\$45,000). Since it is assumed that international schooling will involve one child per family, a family total of three persons is assumed for R&R and home leave. Home Leave will occur at the end of year 3 (\$81,000).

(2) Air Travel within Mozambique

Project activities of the contractors will require substantial air travel within Mozambique from Maputo to the provinces as well as between the three target provinces. Six return (RT) visits per year are envisioned from Maputo to Lichinga, ten RT visits per year Quelimane to Lichinga, 3 visits per year Lichinga to Quelimane to Pemba to Lichinga, and 6 RT visits per year Quelimane to Pemba (to total \$62,492). Per Diem for these visits, based upon an average duration of four days each at the current rate of \$145/day, will total \$59,514. An annual 10% inflation rate is applied for years 3 and 4 to in-country transport and per diem based on July 1991 rates.

C Allowances (\$869,488)

Project funding for allowances include Post Differential (25% of salaries and FICA) totalling \$243,408, education at Post (one child/family or five children, totalling \$148,950), education abroad (one child per family or five children) at \$453,960, and COLAs estimated at 5% of salaries (\$23,170). In years 3 and 4, education at post inflation rates are calculated at 10%, while education abroad contains a 5% inflation rate based on July 1991 costs.

D Other Direct Costs (\$689,231)

To house the five long-term staff, two houses will be rented in Maputo and two in Quelimane. USAID will arrange to either rehabilitate an existing GRM house in Lichinga or construct a pre-fabricated house there. Rent for housing is budgeted at \$347,550. Office rental for the COP in Maputo will require \$39,720 over the LOP. A 10 percent inflation rate is calculated for the costs of housing and office rental in years three and four.

Housing and office maintenance, utilities, security guards, and fuel for the office and house generators will total \$132,400 over the LOP utilizing a 10 percent inflation rate over year 2 costs. Administrative and secretarial assistance, and janitors will amount to \$119,160 over the LOP. Finally, insurance, postage, office telephones, etc. are budgeted at \$33,101 (using an annual 5% inflation rate in years 3 and 4).

E Short-term Consultants (\$168,000)

Short term consultants from the US, estimated at 12 person months over the LOP at \$14,000 per person-month, totals \$168,000.

F Provincial Training, Supervision, Awards Program, and Decentralization Support (\$1,160,859)

The TA contractor will fund the costs of numerous training program, and support for personnel awards and decentralization. The Contractor will also support the transportation costs of supervision visits between Maputo and the provinces and within the provinces themselves.

The project will cover the costs of introducing the new Health Information System (HIS) in Niassa and Gaza Provinces (estimated at \$20,000 each or \$40,000). Annual leadership training courses for the Provincial Directors of Health will be held each year in Maputo at an estimated total cost of \$16,550 over the LOP. DPS training in Personnel Management and Leadership (in three provinces) will total \$17,874 over the LOP. Six district courses per year in each of the three provinces concerning technical training (including materials and per diem) will require \$141,503. Training of Traditional Birth Attendants in Niassa will total \$30,000. Contingency funds for training activities is also included at an annual rate of \$20,000 per year. A 10% inflation rate is applied for all training activities over the cost in year 2.

Air charter services for district training and supervision will require \$786,240 estimated at aircraft cost of \$500 per hour. 20 percent annual inflation rates for air charter services are applied for years 3 and 4 of project implementation. Per diem for supervision of Districts will amount to \$21,449. Air travel for MOH/Maputo staff to the Provinces to handle decentralization and other matters will require air fare and per diem of \$27,804. A 10% inflation rate has been applied to MOH staff travel, per diem and for awards. Lastly, a modest amount has been included for the Awards/Motivational aspect of the project totaling

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\$13,240

G Operations Research for Planning, Management and IEC (\$345,000)

The contractor will implement a Demographic Health Survey in four provinces at a one time cost of \$160,000. Additional special surveys for studying clinic operations and KAP (knowledge, attitudes and practices) will require \$185,000 over the LOP.

H Upgrading Rural Facilities (\$198,600)

A modest total of \$198,600 has been included to cover the costs of commodities such as locks, roofing materials, some urgently needed repairs, painting, etc. for upgrading the conditions of rural health posts.

I IEC AMODEFA (\$337,072)

AMODEFA staff travel to the three provinces including per diem is estimated at \$37,072. IEC materials development including posters, radio spots, pamphlets, etc., will require a total of \$225,000 in the second and third project years. Other IEC workshops and special activities are budgeted at \$75,000 spread over the three years.

J The Total Technical Assistance Contract

As costed out for all the elements (A through I above), the total TA contract will amount to \$7,109,249. To this, \$853,110 (for General and Administrative costs (G&A) computed at 2 percent) and \$253,386 (for Fee computed at 5 percent) are added to bring the full costs of the Technical Assistance Contract to a total \$8,815,745.

IV Costs of USAID Managed Other Activities (\$1,889,000)

Additional short-term TA for drought relief activities, particularly in the water and pharmaceutical areas, is budgeted at \$500,000. Consultants will be procured directly through an AID/Washington centrally-funded project or Indefinite Quantity Contract.

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Evaluation costs at mid-term and end-of-Project will require a total \$205,000. In addition, three non-federal audits (estimated at \$90,000) will be conducted during the project. The first will be a general program audit of the Essential Drugs Program. The second and third will be financial compliance audits of the TA contractor which will be conducted in conjunction with the mid-term and end-of-project evaluations.

USAID will locally recruit a qualified Mozambican, or expatriate, to oversee all Project activities. His/her costs for the three years is budgeted at \$126,100. In addition, \$160,000 is budgeted for internationally recruiting a qualified project manager for a limited period to meet immediate management needs related to the drought. Finally, the project will fund the costs of a project manager for the water activities based on an annual rate of \$70,000 for all costs (salary, benefits, travel).

USAID will also procure all the furnishings and commodities required for the TA Contractor's long-term staff. Housing and office furniture, including generators, will total \$295,000. Office computers and equipment (photocopy machines, typewriters, etc), air conditioners for homes and the COP office in Maputo; and four vehicles along with spare parts will be procured under the project for a total \$177,900.

Rehabilitation or construction of a house in Lichinga is budgeted at \$100,000.

Locally hired logistics assistance (either through a firm based in Maputo or an individual) will also be procured during year 1 for a total cost of \$100,000.

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TABLE A

## MOZAMBIQUE PRIMARY HEALTH CARE SUPPORT PROJECT

## REVISED ILLUSTRATIVE A I D BUDGET - DETAILED

(in U S Dollars)

	Year 1	Year 2	Year 3	Year 4	TOTAL
<b>ESSENTIAL DRUGS/CONTRACEPTIVES</b>					
A) Essential Drugs	2,700,000	3,105,000	3,570,750		
UNICEF/NY Overhead (7%)	189,000	217,350	249,953		
UNICEF/Maputo EDP Administration	250,000	250,000	250,000		
Contraceptives (incl condoms)	500,000	525,000	551,250		
<b>TOTAL ESSENTIAL DRUGS/CONTRAC</b>	<b>3,639,000</b>	<b>4,097,350</b>	<b>4,621,953</b>		<b>12,358,303</b>
<b>II DROUGHT PHARMACEUTICALS</b>					
Medicines		3,500,000			
Air Transport		500,000			
<b>TOTAL DROUGHT PHARMACEUTICALS</b>		<b>4,000,000</b>			<b>4,000,000</b>
<b>III DROUGHT WATER SUPPLY</b>					
Water Supply Construction/Equip		1,790,152			
Transportation		90,000			
UNICEF Overhead (5%)		89,508			
Contingency		30,340			
<b>TOTAL DROUGHT WATER SUPPLY</b>		<b>2,000,000</b>			<b>2,000,000</b>
<b>V POLICY STUDIES</b>					
Private Sector Regulations	130,000				
MOH Budget Allocation	130,000				
Pharmaceutical Sector	130,000				
<b>TOTAL POLICY STUDIES</b>	<b>390,000</b>				<b>390,000</b>

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SOURCE SELECTION INFORMATION -- See FAR 3 104

	Year 1	Year 2	Year 3	Year 4	TOTAL
V TECHNICAL ASSISTANCE CONTRACT (6 long-term persons for 3 years plus numerous consultants and in-country support)					
A) SALARIES - LONG TERM TA					
Decentralization/Chief of Party		50,000	61,800	63,654	
EC Specialist		55,000	56,650	58,350	
Caza Mgmt Specialist		50,000	51,500	53,045	
Niassa Mgmt Specialist		50,000	51,500	53,045	
Quelimane Mgmt Specialist		50,000	51,500	53,045	
Quelimane Training Specialist		50,000	51,500	53,045	
Home Office Support		15,000	15,450	15,914	
Subtotal salaries		330,000	339,900	350,097	
Fringe Benefits (22% salaries)		72,600	74,778	77,021	
Overhead (100% Salaries & Fringe)		402,600	414,678	427,118	
SUBTOTAL SALARIES,FRINGE/OH		805,200	829,356	854,237	2,488,793
B) TRAVEL & TRANSPORTATION					
International --					
6 pers x 4 family members ea @ \$3,000/person		72,000		72,000	
Temporary Lodging 6 families x 21 days @ \$250/day		31,500		31,500	
Unaccompanied Air Freight 6 families x \$4,000 ea		24,000		24,000	
Sea Freight/Storage/Consumables @ 9,700 lbs/fam x \$3/lb		174,600		174,600	
R&R-London 6 persons x 3 family members @ \$2,500/family member			45,000		
Home Leave 6 persons x 3 family members @ \$4,500/family member				81,000	
IN-COUNTRY TRAVEL					
Map/Lich/Map 6 visits/yr @ \$340 ea		2,040	2,244	2,468	
Quei/Lich/Quei 10 visits/yr @ \$700 ea		7,000	7,700	8,470	
Lich/Quei/Pem/Lich 3 visits/yr @ \$1,000 ea		3,000	3,300	3,630	
Quei, Pem/Quei 6 visits/yr @ \$800 ea		4,800	5,280	5,808	
Map/Xai-Xai Map 6 visits/yr @ \$340 ea		2,040	2,244	2,468	
Per Diem 31 visits/yr @ 4 days/visit x \$145/day		17,980	19,778	21,156	
SUBTOTAL TRAVEL & TRANSPORTATION		538,960	85,546	427,701	852,207

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SOURCE SELECTION INFORMATION - Sec FAR 3.104

	Year 1	Year 2	Year 3	Year 4	TOTAL
C) ALLOWANCES - LONG-TERM TA		78,750	81,113	83,548	
Post Differential (25% salaries)		45,000	49,500	54,450	
Educator @ Post 6 @ \$1,500/yr		144,000	151,200	158,760	
Educator Abroad 6 @ \$24,000/yr		7,000	7,700	8,470	
COLA					
SUBTOTAL ALLOWANCES		274,750	289,513	305,226	869,488
D) OTHER DIRECT COSTS					
Housing Rental 2 @ \$30,000/yr		105,000	115,500	127,050	
3 @ \$15,000/yr		12,000	13,200	14,520	
Office Rental/Maputo \$1,000/mo		6,000	6,600	7,260	
Housing/Office Maintenance		21,000	23,100	25,410	
Housing/Office Utilities					
Housing/Office Security Guards		7,000	7,700	8,470	
7 @ \$1,000/yr		8,000	6,600	7,260	
Generator Fuel Home and Office					
Admin/Secretarial Asst 7 @ \$5,000/yr		35,000	38,500	42,350	
Office Janitor 1 @ \$1,000/yr		1,000	1,100	1,210	
Vehicle Fuel & Mtnc		5,000	6,000	6,300	
Insurance 6 x \$700/yr		4,200	4,410	4,631	
Postage, Telephone, etc		8,000	6,600	7,260	
SUBTOTAL OTHER DIRECT COSTS		208,200	229,310	251,721	689,231
E) SHORT-TERM CONSULTANTS (3-5-4) - person months/yr @ \$14,000 per person month		42,000	70,000	56,000	168,000
F) PROVINCIAL TRAINING, SUPERVISION, AWARDS FOR PLANNING/MGMT, AND DECENTRALIZATION					
HIS Training Niassa \$20,000		20,000			
HIS Training Gaza \$20,000		20,000			
Prov Director Leadership Training /Maputo \$5,000/yr		6,000	5,500	6,050	
DPS Training Personnel Mgmt/Leadership \$1,800/yr x 3 prov		5,400	5,940	6,534	
District Level Technical Trng 6 courses/yr x 3 prov -Materials \$500/course		9,000	9,900	10,890	
-Per Diem Trainers/Trainees @ 5 days x 25 persons x \$15/day		33,750	37,125	40,838	
TBA Training/Niassa estimated \$30,000/yr		30,000			
Contingency Training \$20,000/yr		20,000	22,000	24,200	

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SOURCE SELECTION INFORMATION -- See FAR 3.104

	Year 1	Year 2	Year 3	Year 4	TOTAL
Contingency Training \$20,000/yr		20,000	22,000	21,200	
Air Charter Service for District Training/Supervision 12 hrs/mo x \$500/hr x 3 provinces		216,000	259,200	311,040	
Supervisions to Districts Per Diem estimated @ 2 visits/mo x 3 days/visit x \$30/day x 3 Prov		6,480	7,128	7,841	
MOH Maputo Staff Travel to Prov 2 persons x 4 visits/yr x 3 prov					
Maputo/Prov Airfare \$200/visit		4,800	5,280	5,808	
-Per Diem \$30/day x 5 days		1,600	3,360	4,356	
Awards/Motivational Materials Calculators,Radios/Bicycles,Etc @ \$2,000/yr x 3 provinces		4,000	4,400	4,840	
<b>SUBTOTAL TRNG/SUPERVISION/AWARDS/DECENTRALIZATION</b>		<b>378,030</b>	<b>360,433</b>	<b>422,396</b>	<b>1,160,859</b>
<b>G) OPERATIONS RESEARCH FOR PLANNING MANAGEMENT, AND IEC Demographic/Health Survey</b>		<b>160,000</b>			
Special Surveys for KAP, Clinic Operations, Etc		10,000	75,000		
<b>SUBTOTAL OPERATIONS RESEARCH</b>		<b>270,000</b>	<b>75,000</b>		<b>345,000</b>
<b>H) UPGRADING RURAL FACILITIES Commodities (Paint, Locks, Roof Materials, Etc) Estimated at \$20,000/yr x 3 provinces</b>		<b>60,000</b>	<b>66,000</b>	<b>72,600</b>	<b>198,600</b>
<b>I) IEC AMODEFA AMODEFA Travel to Provinces 2 persons x 4 visits/yr x 4 prov -Maputo/Prov Airfare \$200/visit -Per Diem \$30/day x 5 days</b>		<b>6,400</b>	<b>7,040</b>	<b>7,744</b>	
		<b>4,800</b>	<b>5,280</b>	<b>5,808</b>	
IEC Materials Development Annual Production Costs			125,000	100,000	
Special IEC workshops, activities		25,000	25,000	25,000	
<b>SUBTOTAL IEC AMODEFA</b>		<b>36,200</b>	<b>162,320</b>	<b>138,552</b>	<b>337,072</b>
<b>J) TOTAL TECHNICAL ASST CONTRACT</b>		<b>2,413,340</b>	<b>2,167,478</b>	<b>2,528,432</b>	<b>7,109,249</b>
General & Admin on TA Contract @ 12% of above total		289,600	260,097	303,412	853,109
Fee 5% on items A thru E above		120,456	108,374	126,422	355,252
Contingency \$200,000/yr		200,000	200,000	200,000	600,000
<b>GRAND TOTAL FOR TA CONTRACT</b>		<b>2,823,396</b>	<b>2,735,845</b>	<b>3,158,266</b>	<b>8,717,507</b>

## SOURCE SELECTION INFORMATION -- See 3.104

	Year 1	Year 2	Year 3	Year 4	TOTAL
VI USAID MANAGED/OTHER ACTIVITIES					
A) Additional Technical Assistance for Drought-Related Activities		500,000			
B) Evaluations Mid Term and Final			85,000	120,000	
C) Audits					
- EDP Program		35,000			
- TA Contract Mid Contract			30,000		
- TA Contract Final				25,000	
D) USAID Management					
- One local hire manager	40,000	42,000	44,100		
- One international hire manager		160,000			
- One/half water manager		35,000			
E) Commodity Procurement					
Housing/Office Furniture @ 6 x \$20,000/person & \$20,000/office	140,000				
Housing Appliances/Generator @ \$25,000/person	50,000				
Office Generator @ \$5,000	5,000				
7 Office Computers/Software/Materials @ 10,000/system	70,000				
Air Conditioners 7 @ \$1,300 ea	9,100				
Photocopy Machines 7 @ 2,700 ea	18,900				
Typewriters: 7 @ \$900 ea	6,300				
Vehicles 4 x 4x4 vehicles @ \$16,000 ea & spare parts (15%)	64,000				
	9,600				
Housing Rehabilitation/Construction in Lichinga	100,000				
Contractor for Logistics and Commodity Support Services 1 year @ \$200,000	200,000				
TOTAL USAID/OTHER ACTIVITIES	812,900	772,000	159,100	145,000	1,889,000
PROJECT SUBTOTAL	4,841,900	13,855,746	7,483,814	3,271,588	29,453,047
Contingency					46,953
GRAND PROJECT TOTAL	4,841,900	13,855,746	7,483,814	3,271,588	29,500,000

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Annex F  
Initial Environmental Examination

PROGRAM DATA

Program Location Mozambique

Program Title Primary Health Care Support Project

Funding \$9,500,000 increase to LOP of \$29,500,000, of which \$2,000,000, is attributed to water supplies

Life of Project: 5 years

IEE Prepared By Arthur Dennis Long, Sc D , P E  
Environmental Health Engineer R&D/H/CD

Environmental Action Recommended Negative Determination and Categorical Exclusion

Approval:   
John M. Miller, Acting Director  
USAID/Mozambique

Date:

9/3/92

Clearances

T Riedler	RLA (draft)	Date 9/7/92
P S Argo	ENG (draft)	Date 30/6/92
M P. Selvaggio	HPN (draft)	Date 29/6/92
C A McCarthy	PRM 	Date 9/3/92
R Rose, Redso/ESA/ENG	Draft	Date 17/7/92

#### RECOMMENDED ENVIRONMENTAL DETERMINATION

Based on 22 CFR Part 216 2 (c)(2)(iv), a Categorical Exclusion is recommended for the construction of rural water wells and other assistance through UNICEF A I D is a minor donor to the multi-donor water development project to be implemented by UNICEF and there is no potential significant effects on the environment of the United States, areas outside any nation's jurisdiction or endangered or threatened species or their critical habitat. Furthermore, such water projects do not present an adverse risk to the environment. Further, an objective of this project is to provide water to people where they currently live, thus avoiding migration to displaced persons camps. Finally, the implementing organizations, UNICEF and PRONAR (National Rural Water Program) are experienced in the siting and construction of such water wells.

Based on 22 CFR Part 216 2(c)(1)(1), a Categorical Exclusion is recommended for Technical Assistance.

Based on 22 CFR Part 216, a Negative Determination is recommended for the provision of essential drugs to Ministry of Health (MOH) health clinics as there are no potential environmental risks of such commodity transfers, intended for humanitarian uses.

#### PROJECT PROBLEM

Mozambique is currently experiencing a crippling drought. As part of Government of Mozambique (GRM) emergency measures, and in response to long-term development measures, USAID/Mozambique is proposing to assist the GRM's implementing agency, PRONAR, by providing in kind assistance through UNICEF.

- UNICEF has a long standing relationship with PRONAR in the provision of technical assistance and materials for the implementation of the National Rural Water Program. The current annual development budget for PRONAR is \$2.0 million, all of which has been refocused as appropriate to respond to the needs of the drought. The total multi-donor participation in UNICEF in response to the drought is \$5.2 million. The proposed A.I.D. contribution to this effort is \$3.0 million.

#### PROJECT OBJECTIVES

The objective of the water component of the project is to meet basic water needs approximately 450,000 people through upgrading existing wells, drilling new wells, and replacing pumps on existing wells. The expected End of Project Status (EOPS) for the water component are:

- \* Six hundred and fifty AFRIDEV hand-pumps should be purchased and installed by PRONAR/EPAR (provincial level water teams) on existing sources,
- \* 125 bore-holes should be drilled by PRONAR/GEOMOC and fitted with AFRIDEV hand-pumps as defined in the Emergency Plan,
- \* Construction of 20 hand-dug wells and 20 hand-drilled wells by PRONAR/EPAR and installation of 40 AFRIDEV hand-pumps,
- \* Rehabilitation of 60 existing sources with AFRIDEV hand-pumps installed by PRONAR/EPAR, and
- \* Liaising with the National Directorate for Water, investigate the alternatives for water supply for Beira which are being pursued. As so much of the food relief effort is dependent upon Beira as the port and origin for onward shipment within Mozambique and for Zimbabwe, a reliable water supply to Beira is critical. Consultants could be utilized here to help assess the source alternatives.

The above interventions will be channeled through UNICEF for PRONAR execution

#### PROJECT STRATEGIES

The project strategy is to work with PRONAR, through UNICEF, to provide low cost water wells for rural populations.

ACTION: AID-3 INFO: AMB DCM

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INFO RUEHMB/AMEMBASSY MBABANE 4251  
RUEHNE/AMEMBASSY NAIROBI 9173  
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TAGS:

SUBJECT: MOZAMBIQUE - PRIMARY HEALTH CARE SUPPORT (656-0226) - PROJECT AMENDMENT/PROGRAM CONCURRENCE

REFS: A. MAPUTO 2297 R. MAPUTO 1793

1. PROGRAM CONCURRENCE IS BEING PROVIDED FOR DEVELOPMENT OF THE SUBJECT PROJECT AMENDMENT BASED ON PROJECT AMENDMENT DESCRIPTIONS SUBMITTED REFTELS. REFTELS WERE REVIEWED IN AID/W AND NO OBJECTIONS WERE RAISED TO THE MISSION'S PROPOSED PROJECT AMENDMENT.

2. THE FOLLOWING ISSUES WERE IDENTIFIED FOR MISSION CONSIDERATION IN DEVELOPMENT OF THE PROPOSED PROGRAM:

(A) ALTHOUGH THE CURRENT DROUGHT SITUATION IN SOUTHERN AFRICA PLAYED A ROLE IN THE DECISION TO AMEND THE SUBJECT PROJECT AT THIS TIME, THE PROJECT AMENDMENT SHOULD REMAIN HOW ALL THE ACTIVITIES UNDER THE PROJECT WILL HAVE A LONG TERM DEVELOPMENTAL IMPACT AS WELL AS SHORT-TERM DROUGHT MITIGATION EFFECTS.

(B) TO THE EXTENT THAT PHARMACEUTICALS, E.G., CHLOROQUINE AND VACCINES, ARE TO BE PROCURED UNDER THE AMENDMENT, AID

HANDBOOK IS REQUIRED THAT ALL DRUGS BE OF U.S. ORIGIN. THAT THE COMMODITY OFFICE APPROVE THE PROCUREMENT. PLEASE NOTE THAT, NOTWITHSTANDING APPROVAL UNDER THE ORIGINAL PROJECT TO PROCURE PHARMACEUTICALS THROUGH UNICOF, COMMODITY OFFICE APPROVAL IS REQUIRED FOR PROCUREMENTS UNDER THE AMENDMENT SINCE THEY INVOLVE NEW FUNDS AND POSSIBLY NEW ITEMS.

(C) THE PROJECT AMENDMENT WILL REQUIRE AN INITIAL ENVIRONMENTAL EXAMINATION (IEE).

3. THE BUREAU ENVIRONMENTAL OFFICER HEREBY DELEGATES AUTHORITY TO THE MISSION DIRECTOR, USAID/MOZAMBIQUE, OR TO THE PERSON ACTING IN THAT CAPACITY, TO APPROVE THE INITIAL ENVIRONMENTAL EXAMINATION (IEE) FOR THIS PROJECT AMENDMENT, SUBJECT TO THE CLEARANCE OF THE PERSO

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ENVIRONMENTAL OFFICER AND THE PLA.

4. PLEASE NOTE THAT A CONGRESSIONAL NOTIFICATION (CN) IS REQUIRED FOR DOLLARS US 9.5 MILLION OBLIGATION IN FY 92. IF MISSION PLANS JULY 1992 OBLIGATION FOR THIS AMENDMENT, COMPLETE CN SHOULD BE TRANSMITTED TO AFR/SA SOONEST FOR PROCESSING AND SUBMISSION TO THE HILL. FYI LFG MUST RECEIVE CNS NOT NOON JUNE 26, SINCE NEXT CN WINDOW CLOSURE JUNE 29, 1992. AND FYI

5. AS DISCUSSED WITH MISSION, OF THE DOLS. 4.5 MILLION NOT ORIGINALLY IN THE OYP FOR THIS PROJECT, DOLS. 1,259,353 WILL BE HEALTH ACCOUNT MONEY AND DOLS. 264,861 WILL BE POPULATION ACCOUNT MONEY. FYI SMALL INCREASES IN THE HEALTH AND POPULATION MONEY OVER AMOUNTS DISCUSSED EARLIER REFLECT ADDITIONAL PREPARED-FUND FUNDS (DOLS. 122,715 HEALTH AND DOLS. 55,236 POP). REQUEST MISSION ADVISE ASAP IF PROGRAMMING OF THESE SMALL INCREMENTS WILL PRESENT ANY PROBLEM. BAKFR  
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AUG 17 1992

**ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA**

**FROM:** AFR/SA, Keith E. Brown *KEB*

**SUBJECT:** Mozambique - 611(e) Certification for the Mozambique Primary Health Care Support Project Amendment (656-0226)

**Problem:** You are requested to favorably take into consideration the FAA Section 611(e) certification signed by the Mission Director, USAID/Mozambique, that the Government of Mozambique has both the financial and human capacity to utilize and maintain the additional wells and pumps being provided under the Mozambique Primary Health Care Support Project (656-0226).

**Discussion:** The Mozambique Mission has submitted a 611(e) certification for the Mozambique Primary Health Care project (attached). FAA Section 611(e) provides that prior to furnishing any capital assistance in excess of \$1 million, the head of the Agency shall have

"received and taken into consideration a certification from the principal officer...in such country in which the project is located as to the capability of the country (both financial and human resources) to effectively maintain and utilize the project taking into account among other things the maintenance and utilization of projects in such country previously financed or assisted by the United States."

Delegation of Authority 404 delegated authority to the applicable regional assistant administrators, without the authority to redelegate, to receive and take into consideration this certification.

The Mozambique Primary Health Care project works to enhance the effectiveness of preventive, primary health care in Mozambique. It is being amended in FY 1992 to increase the life-of-project funding to \$29.5 million, and use \$2.0 million of this amount for additional wells and pumps to help relieve water shortages resulting from the current drought. Such shortages could potentially have a serious impact on the tenuous health situation of the Mozambican population.

Deteriorating health status during the 1980s is evident in the infant and under five mortality rates in 1989 of 200/1,000 and 325-375/1,000, respectively. Malaria, diarrheal diseases and respiratory infections are the major immediate causes of illness and death. Exacerbating these conditions are the acute and chronic malnutrition, lack of access to basic services (health, water and sanitation) and poor child care practices.

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Southern Africa is now experiencing one of the worst droughts of the century, with southern Mozambique and Eswatini the two hardest-hit countries in the region. The drought has compounded the extremely critical health situation in Mozambique. Rainfall for the 1990-91 and 1991-92 rainy seasons has been well below average throughout the country.

With technical assistance support from the United Nations Children's Fund (UNICEF), the National Directorate of Water (DNA) has compiled a well-developed planning document, the Emergency Plan of Action - Drought 1992 (hereinafter referred to as the Emergency Plan), to assist in addressing the immediate short-term problems of the water supply sector, as best they can be predicted.

One of the major problems in developing both food relief and water supply programs in response to the drought is the dislocation of people created by the protracted civil war that currently hinders safe passage of personnel and equipment in certain regions of the country.

While the DNA and the National Program for Rural Water (PRONAR) do not have the resources to construct, install, and maintain water points, wells and pumps without external assistance, their capacity is being improved through ongoing donor training and technical assistance. Programs, funded by UNICEF, the Dutch and Swiss are directed specifically at improving contracting procedures for construction, introducing appropriate technologies, and enlisting village participation in the construction and maintenance cycles.

The Government of Mozambique (GRM), DNA and PRONAR are committed to improving their capacity to deliver and maintain water systems for the population. To this end, the GRM has changed the standards for hand pumps to simplify and improve the methodology for future maintenance.

In the past ten years, India Mark II pumps have been installed as the standard pump in Mozambique. They require a centralized maintenance system, which thus far has been unresponsive, resulting in a very high percentage of hand pumps lying inoperative, often for want of a relatively inexpensive replacement part.

By government mandate, all hand pumps to be installed under this and future PRONAR programs must be VLOM-type (village level operation and maintenance). The GRM introduced the VLOM pump concept two years ago under a pilot project. VLOM-type pumps are the functional equivalents of the India Mark II, but installation and maintenance are much easier. All of the pumps installed to date have been tremendously successful and well received by the

villagers, particularly the women. - Maintenance requirements are extremely simple, requiring only one basic tool. Under the Emergency Plan, the VLOM-type hand pump of choice is the Afridev.

- A training program will be given to all communities receiving VLOM pumps, so that they will be able to maintain their systems and solve 90% of any problems arising. DNA and PRONAR have the capacity and infrastructure to address the remaining problems.

The current annual GRM development budget for PRONAR is \$2 million dollars, all of which has been reprogrammed to respond to the drought. The total multi-donor participation in UNICEF/PRONAR in response to the drought is an additional \$5.2 million, of which the proposed A.I.D. contribution is \$2 million. Project inputs to PRONAR/UNICEF include:

- Construction of 165 new sources with the installation of 165 VLOM hand pumps;
- Rehabilitation of 60 existing sources with the installation of 60 VLOM hand pumps; and
- Installation of 650 VLOM hand pumps on existing sources.

The GRM, through DNA and PRONAR, have implemented a program whereby NGOs, PVOs and private sector contractors can assist in the implementation of water point development and equipment installation. This additional capacity, which the PVOs will obtain by contracting with private drilling companies for borehole construction, establishing village teams for well rehabilitation and maintenance, etc. will ensure that the goals and objectives of the GRM Emergency Plan can be met.

During this time of drought, with emergency interventions being planned, the rural component of the emergency plan calls for 43% of the new sources to be machine-drilled boreholes. This is technically appropriate because the deeper boreholes are much less susceptible to the effects of drought and are less likely to fail should the drought continue past the new expected rainy season.

USAID/Mozambique's analysis indicates that the GRM has the combined local and external financial capability to implement an immediate response to the drought. Furthermore, the GRM has taken the necessary steps to insure that appropriate and maintainable technology will be installed for pumping capacity. The GRM has further indicated its commitment to deliver water resources by introducing private sector and PVO participation in the development and installation of additional water points.

**Recommendation:** That, by signing below, you favorably take into consideration the certification of the Mission Director, USAID/Mozambique, that the Republic of Mozambique has both the financial and human resources capability to effectively maintain and utilize the additional wells and pumps being provided under this project.

APPROVED: Robert Xabe

DISAPPROVED: \_\_\_\_\_

DATE: 8/28/92

Attachment: Maputo 3204

**Clearances:**

AFR/SA:RHarber	(draft)	Date	8/14/92
GC/AFR:ESpriggs	<i>[Signature]</i>	Date	8/20/92
DAA/AFR:RCobb	<i>[Signature]</i>	Date	8/27/92 *

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\* Mission advised US SO funds & necessary assets are unavailable