

**United Nations Development Group Iraq Trust Fund**  
**Project #66901: D2-21**  
**Date and Quarter Updated: 1 January-31 March 2010**  
**1<sup>st</sup> Quarter 2010**

**Participating UN Organisation: UNDP** **Sector: Cluster: D – Health**

**Government of Iraq – Responsible Line Ministry: Ministry of Health**

<b>Title</b>	Support for Construction of Basrah Children Hospital				
<b>Geographic Location</b>	Basrah Governorate, Basrah City				
<b>Project Cost</b>	US\$ 21,750,000				
<b>Duration</b>	39 months, including extension approved till June 2010.				
<b>Approval Date (SC)</b>	22 March 2007	<b>Starting Date</b>	22 February 2007 (ISRB approval date)	<b>Completion Date</b>	30 June 2010
<b>Project Description</b>	<p>The project addresses the decline of health services over more than two decades in Basrah and lower South. A Ministry of Health Report (2004) indicates that non-communicable diseases are becoming the leading cause of death. The report illustrates alarmingly high under-five mortality rates as the Basrah population lacks access to adequate child healthcare facilities. Basrah Children’s Hospital (BCH) is designed as a specialized child referral care centre focusing on paediatric oncology to significantly ameliorate the deteriorated child health conditions in Basrah Governorate and the entire southern region of Iraq. The overall BCH project comprises of packages that involve construction and equipping of this healthcare centre of excellence in technology, practice, training and administration for provision of sustainable high-impact paediatric health services, including prevention, early diagnosis and treatment employing standard therapies, largely unavailable in Iraq. The BCH complex has been designed to provide for 360 cancer, 468 intensive care, 354 neonatal intensive care, and 2,230 acute care paediatric patients annually. The Hospital’s construction was started in 2005 with US Government funding with other agencies and the contract was halted in 2006. UNDP received ITF funding in February 2007 and has worked closely with MoH, WHO, the INGO Project HOPE, the Iraqi NGO Love and Peace (in a community awareness campaign) and US Department of State / US Army Corps of Engineers which have acted as the UNDP Owner Engineer until 10 May 2009.</p>				

**Development Goal and Immediate Objectives**

1. The development goal for this project is aligned with the targets of Iraq’s National Development Strategy (2005), including health strategy, and will contribute towards reducing child mortality rates.
2. Improve access to quality tertiary specialized paediatric healthcare services in Basrah and the southern region of Iraq in partnership with all stakeholders, including the community.
3. Create employment opportunities for poor and vulnerable segments of the population.

**Outputs, Key Activities and Procurement**

<b>Outputs</b>	<p>1.1 Improved tertiary child healthcare services and increase in the number of referred sick children to the hospital in partnership with all stakeholders, including the community.</p> <p>1.2 Extension of the construction of the 94 bed hospital is completed.</p> <p>1.3 Medical equipment delivered and installed, and functioning catering the 94 bed hospital.</p> <p>1.4 Two hundred (200) hospital health professionals and managers (physicians, nurses,</p>
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	<p>technicians, administrators, facility engineers, and biomedical engineers) have completed short-term and long-term trainings.</p> <p>2.1 Temporary short-term employment opportunities for unskilled and semi-skilled vulnerable and unemployed people created during the project construction phase.</p> <p>2.2 Permanent long-term employment to professionals including medical professionals, management, technicians will be created during project operation.</p>
<b>Activities</b>	<p>1.1.1 Contribute to the construction of Basrah Children Hospital;</p> <p>1.1.2 Contribute to the equipping of Basrah Children Hospital;</p> <p>1.1.3 Conduct community awareness campaigns and enhance partnership;</p> <p>1.2.1 Technically assist MoH in the process of procurement of spare parts and consumables;</p> <p>1.2.2 Technically assist MOH in the process of contracting Operation and Maintenance Services;</p> <p>1.3.1 Assess training needs, knowledge and skills of physicians, nurses, technicians and administrators;</p> <p>1.3.2 Conduct training programmes, support fellowships for 200 staff, including physicians, nurses, technicians and administrators;</p> <p>1.3.3 Support the establishment of a functioning continued Health Professional Education Unit at Basrah Hospital;</p> <p>1.4.1 Capacity building and training programme delivered to 200 hospital health professionals and managers including physicians, nurses, technicians and administrators;</p> <p>2.1.1 Recruit skilled and semi-skilled labour to assist in the construction of the building: which will result in some 480,000 man days of short term employment opportunities;</p> <p>2.2.1 Recruit skilled personnel to operate the hospital, which will create approximately 510 long-term employment opportunities for hospital staff and approximately 90 long-term employment opportunities of subsidiary staff for the site, facility plants, kitchen, and laundry.</p>
<b>Procurement (major items)</b>	<p>Closed Circuit Security System; Provision of back up diesel generators and auxiliary equipment; Medical Waste Treatment Equipment; Oxygen Generation Plant Equipment; General Furniture; Domestic Furniture; IT Equipment; Warehouse Shelving; Off Site Internet and Telephone connection; Gap items; Warehouse; ASSET management; Capacity Building; Community Awareness Campaign; Works Contracts; Stone Cladding; Residential Building; Roads &amp; Parking; Steam Autoclave &amp; Oxygen Generation Plant Buildings and Firefighting &amp; Perimeter wall; Perimeter Drainage &amp; Site Irrigation &amp; Soft Landscaping; Consultancy Services.</p>

<b>Funds Committed</b>	USD 17,989,960	<b>% of approved</b>	82.71%
<b>Funds Disbursed</b>	USD 12,978,387	<b>% of approved</b>	57.67 %
<b>Forecast final date</b>	June 2010	<b>Delay (months)</b>	19

<b>Direct Beneficiaries</b>	<b>Number of Beneficiaries<sup>1</sup></b>	<b>% of planned (current status)</b>
Men		
Women		
Children	938,605 (potential)	
IDPs	Unknown at this time	
Others		
Indirect beneficiaries	200 hospital staff	
Employment generation (men/women)	480,000 work days	

<sup>1</sup> The number of potential beneficiaries is based on the population statistics in the 2004 COSIT report issued by the Ministry Of Planning and Development Cooperation of Iraq. Male and female children age distributions 0-19 have been computed and a relative ratio based on the latest recorded population census for Basrah governorate with a total population of approx. 1,797,821, of which approx. 52.21 are below 19 years of age has thereby been established.

	510 long term opportunities for hospital staff 90 for subsidiary staff	
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<b>Quantitative Achievements against Objectives and Results</b>				
1	Stone Cladding.	Work completed.	<b>% of planned</b>	100
2	Residential Building.	Works completed.	<b>% of planned</b>	100
3	Roads and Parking.	Works completed.	<b>% of planned</b>	100
4	Closed Circuit Security System.	Works are completed. Spare parts to be delivered in May 2010.	<b>% of planned</b>	100
5	Steam autoclave and oxygen generation plant, fire fighting facility and perimeter wall.	Works completed.	<b>% of planned</b>	100
6	Perimeter Drainage, Site Irrigation, Well and Soft Landscaping.	Work implementation in progress.  Irrigation: Works completed.  Soft Landscaping: Planting in progress. Expected completion End of April 2010.	<b>% of planned</b>	90
7	Provision of back-up diesel generators and auxiliary equipment for firm supply of electricity.	Works are completed.	<b>% of planned</b>	100
8	Medical Waste Treatment Equipment.	Works are completed. Certificate of Substantial Completion issued and signed. Three months Operation and Maintenance and "On Site" training by the contractor will start after initial operation of the hospital, anticipated to start in late April.	<b>% of planned</b>	95
9	Oxygen Generation Plant Equipment.	Works are completed. There was a problem concerning performance of the O2 generating equipment to provide uninterrupted O2 supply during the summer period, when the ambient temperature reaches around 50 Degree Celsius. Overheating of the equipment was noticed. Fans and ducting required for solving the heating problem have been installed. The equipment will be re-tested during coming summer. Three months Operation and Maintenance and	<b>% of planned</b>	95

		“On Site” training by the contractor is ongoing, with anticipated finish date May 2010.		
10	Gap Items.	Works are completed. Certificate of Partial Substantial Completion issued awaiting signature by MoH.	<b>% of planned</b>	100
11	Warehouse.	Works are completed.	<b>% of planned</b>	100
12	General Furniture.	Installation of the goods finished. Certificate of Partial Substantial Completion issued awaiting signature by MoH.	<b>% of planned</b>	100
13	Domestic Furniture.	Installation of the goods finished. Certificate of Partial Substantial Completion issued and waiting signature by MoH. Outstanding items are three vending machines to be programmed for Iraqi Currency. The programming works to be finalized 2 <sup>nd</sup> Q 2010.	<b>% of planned</b>	100
14	Offsite Internet Connection.	Works are completed. Additional services requested from the Contractor. One-month subscription will start on 20 April and will be finalized on 20 May 2010. Certificate of Substantial Completion to be signed by MoH.	<b>% of planned</b>	100
15	IT Equipment.	Equipment handed over to MoH.	<b>% of planned</b>	100
16	Warehouse Shelving.	The works are completed and handed over to MoH.	<b>% of planned</b>	100
17	Off Site Telephone.	Work implementation in progress. The Contractor cannot finalize connection works until MoH has paid telephone subscription fee to MoC.	<b>% of planned</b>	90
18	ASSET Management.	Equipment delivered to BCH.	<b>% of planned</b>	100
19	Community Awareness.	School campaign completed. Exhibition in schools completed. Broadcasting of media spots completed.	<b>% of planned</b>	100
20	Capacity Building.	A Letter of Agreement was signed with World Health Organization on 21 January 2009. WHO is responsible for this package and work is progressing.	<b>% of planned</b>	Work is ongoing by WHO.

<b>Qualitative Achievements against Objectives and Results</b>	
<ul style="list-style-type: none"> <li>Familiarization meeting held between Iraq Reconstruction Management Office (IRMO), US Army Corps of Engineers (USACE), Project Hope and UNDP in February 2007;</li> <li>On 26-27 February 2007 a Project Kick-Off Meeting was held in Basrah between Iraq Reconstruction Management Office (IRMO), US Army Corps of Engineers (USACE) and UNDP where remaining project works were finalized and agreement reached on work packages for UNDP action. The expansion of the Project Steering Committee to include UNDP and other partners was agreed. UNDP set up a project management and administrative structures and started processes for defining and bidding on work packages, in accordance with UNDP procurement rules;</li> <li>Project meeting held in Amman 14-15 May 2007, gathering MoH, Department of State (DoS), Golf Region Division (GRD), US Army Corps of Engineers (USACE), Project HOPE and UNDP;</li> <li>Coordination Meeting held 2-4 October 2007, including US Army Corps of Engineers (USACE), MoH UHS (Universal Hospital Services), Hospital Designers and Planners (HDP), MIDcon (the Jordanian</li> </ul>	

contractor employed by Gulf Division South), Cummins (for generator discussions), and MoE to coordinate events and future plans, clarify and discuss technical issues related to UNDP's work packages and to ensure the project timeline. The meeting allowed for MoH to participate and play a part in the decision making;

- During the mission to Basrah 26-28 November 2007, a Kick-Off Meeting was held with the contractor responsible for stone cladding. Additionally a coordination meeting was held on 27–28 November, which included the USACE and Department of State. The purpose of this meeting was to coordinate events and future plans, discuss technical issues related to UNDP's work packages, and clarify those packages and to ensure the project timeline. Site coordination and cooperation were also discussed;
- Processing of all work packages including receiving the offers, opening of the contractors' offers, technical evaluation, financial evaluation preparing for Contracts, Assets and Procurement (CAP) and ACAP meetings, signing of the contracts with the contractor for seven (7) work packages totaling USD 8.5m;
- On 10-14 February 2008 capacity building and coordination meeting was held in Baghdad, including Iraq Transition Assistance Office (ITAO), US Army Corps of Engineers (USACE) team, MoH, WHO and Project Hope, to discuss the handover of the physical building, equipment installation and training of the staff together with site coordination of the three (3) organizations;
- On 13-17 May 2008, a coordination meeting was held in Amman, to discuss the progress of the construction works, delivery and installation of the equipment, training of the staff and financial status and financial needs including representation from UNDP Iraq, Recovery Crisis Prevention (RCP), ITAO, GRD, US Army Corps of Engineers (USACE), MoH and Project Hope;
- Mission to Basrah 19-23 July 2008 was key to attend a project working group meeting involving MoH, UNDP, WHO, DoS, US Army Corps of Engineers (USACE) and Project Hope. A Red Zone site visit to the Basrah Children's Hospital was conducted. During this visit, coordination meetings were organized and held with the UNDP project contractors and project engineers.
- A new agreement was signed in October 2008 on the stone cladding due to a mismatch between stone and design. The issue was resolved and completion of primary works is anticipated during 3<sup>rd</sup> Quarter.
- Mission to Basrah 25-31 January and March-April 2009 to attend meetings with the UNDP project contractors and project engineers with the participation of UNDP implementing partners: US Army Corps of Engineers (USACE). The mission collected and received information first hand and probed into reasons for delays in implementation, took note of contractor's grievances and resolved outstanding issues. Contractors were urged to put the needed resources in place to meet the respective packages completed by their contract closing dates. The project master schedule was revised and one contract was cancelled.
- During 2<sup>nd</sup> Quarter three new contracts were awarded and two preconstruction meetings held during June 2009.
- Mission to Basrah May 2009 was key to coordinate the new structure of project implementation after receiving information that the US Army Corps of Engineers (USACE) would no longer be involved in any activities on the site connected to UNDP's contract.
- A coordination meeting was organized in Erbil during September 2009 for all the hospital projects, including the Basrah Children's Hospital. This three-day meeting was extremely helpful as difficult issues were resolved and new practices implemented. This meeting was attended by the Ministry of Health (MoH), UNDP and representatives of all contractors working on all sub-projects of the BCH project.
- In January 2010 a second coordination meeting was organized in Erbil for all the hospital projects including Basrah Children's Hospital. This meeting was extremely helpful as difficult issues were resolved. This meeting was attended by the Ministry of Health (MoH), UNDP and representatives of all contractors working on all sub-projects of the BCH project.
- At the end of 1<sup>st</sup> Quarter 2010 fifteen (15) of the 20 packages/contracts had been completed by UNDP, with the remaining four (4) contracts reaching a completion rate of over 90 percent. The project is expected to be fully completed by June 2010.

- The final training package is the responsibility of WHO. This package is behind schedule and may require a request for project extension for this single work package to build capacity of hospital staff. It is anticipated that the other 10 work packages by UNDP will complete on schedule.

### **Main Implementation Constrains and Challenges**

- ❖ The US Army Corps of Engineer (USACE) informed UNDP on 11 May 2009, that USACE will no longer be involved in any activities on the site connected to UNDP's contract. Of note is the Project Document signed stipulating that Department of State will provide the Owner's Engineer US Army Corps of Engineers (USACE) services as an in-kind contribution. The MoU between UNDP and Department of State was signed in November 2007. As a remedial action, UNDP has signed a contract to the amount of approximately 160,000 USD with an Iraqi Company to provide the site engineering supervision. This arrangement does not adequately fill the gap, which included nine international engineers and seven national site supervisors. Therefore, UNDP has been forced to increase allocation of its existing staff to Basrah Children's Hospital, which has been raised to include four part-time and one full-time staff.
- ❖ With the pull out of MNF-I from cities there is a risk of increased violence with the implications presently not known.
- ❖ It was identified that the supply of electricity of 11 KV by other partners will not be an adequate load for the hospital requirements. Therefore, there is a need to identify funds for another project to bring in 33 KV. This could prove a challenge if funding is not identified for this separate project.
- ❖ The sewage system/perimeter drainage/ditch has become a serious issue due to the unauthorized impingement of the neighbourhood sewer into the external perimeter drainage ditch. This is causing backflow into the hospital yard. UNDP has assessed the problem with the decision that additional works will need to be implemented to stop the backflow to the hospital area.