

United Nations Development Group Iraq Trust Fund

Project #66901: D2-21

Date and Quarter Updated: 1 October -31 December 2010 4th Quarter 2010

Participating UN Organisation: UNDP

Sector: Cluster: D – Health

Government of Iraq – Responsible Line Ministry: Ministry of Health

Title	Support for Construction of Basrah Children Hospital				
Geo. Location	Basrah Governorate, Basrah City				
Project Cost	US\$ 21,750,000				
Duration	21 months				
Approval Date	22 .03.2007	Starting Date	23.03.2007	Completion Date	23.12.2008 extended to 30 June 2011
Project Description	<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

Outputs	<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, 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>
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Activities	<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>
Procurement (major items)	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 & Parking; Steam Autoclave & Oxygen Generation Plant Buildings and Firefighting & Perimeter wall; Perimeter Drainage & Site Irrigation & Soft Landscaping; Consultancy Services.

Funds Committed	USD 20,329,248.30	% of approved	93.47%
Funds Disbursed	USD 17,088,686.17 All current projects (work packages) are substantially completed. It is noted that retention monies will be released upon the expiry of the Defects & Liability twelve-month period.	% of approved	78.57 %
Forecast final date	December 2011 Additional one-year extension was approved by the Steering Committee on 21 st June 2010, for completing the WHO capacity building activities.	Delay (months)	19

Direct Beneficiaries	Number of Beneficiaries¹	% of planned (current status)
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 510 long-term opportunities for hospital staff 90 for subsidiary staff	

¹ 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.

Quantitative Achievements against Objectives and Results			% of planned
1	Stone Cladding.	Work completed.	100
2	Residential Building.	Works completed.	100
3	Roads and Parking.	Works completed.	100
4	Closed Circuit Security System.	Works completed.	100
5	Steam autoclave and oxygen generation plant, fire fighting facility and perimeter wall.	Works completed.	100
6	Perimeter Drainage, Site Irrigation, Well and Soft Landscaping.	Irrigation: Works completed. Soft Landscaping: Works completed.	100
7	Provision of back-up diesel generators and auxiliary equipment for firm supply of electricity.	Works completed.	100
8	Medical Waste Treatment Equipment.	Works completed. Operations and Maintenance postponed due to no electricity.	99
9	Oxygen Generation Plant Equipment.	Works completed.	100
10	Gap Items.	Works completed.	100
11	Warehouse.	Works completed.	100
12	General Furniture.	Installation completed.	100
13	Domestic Furniture.	Installation completed.	100
14	Offsite Internet Connection.	Works completed.	100
15	IT Equipment.	Equipment handed over to MoH.	100
16	Warehouse Shelving.	Works completed.	100
17	Off Site Telephone.	Work Completed.	100
18	ASSET Management.	Equipment delivered.	100
19	Community Awareness.	School campaign completed. Exhibition in schools completed. Broadcasting of media spots completed.	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 with an eighteen-month extension requested to complete the capacity development. Advanced payment of \$2.1M has been paid to WHO for the capacity building activities according to the LOA between UNDP & WHO.	Work is ongoing by WHO. The one-year extension was approved by Steering Committee on 21 June 2010 for completing the WHO capacity building activities until June 2011.

Qualitative Achievements against Objectives and Results

- Familiarization meeting held between Iraq Reconstruction Management Office (IRMO), US Army Corps of Engineers (USACE), Project Hope and UNDP in February 2007;
- 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;

- Project meeting held in Amman 14-15 May 2007, gathering MoH, Department of State (DoS), Gulf Region Division (GRD), US Army Corps of Engineers (USACE), Project HOPE and UNDP;
- 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 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 completed.
- 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 2nd Quarter 2009 three new contracts were awarded and two preconstruction meetings held in 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.
- On 14 April 2010, a meeting was organized in Amman to discuss ways forward and prepare the capacity-

building activities. This meeting was attended by the Ministry of Health Iraq, UNDP and WHO.

- On 19-20 May 2010, a capacity-building meeting was organized in Beirut to finalize the Capacity Building Plan. This meeting was attended by the Ministry of Health (MoH), Basrah Children Hospital (BCH), UNDP and WHO.
- The one-year extension request was approved by Steering Committee on 21 June 2010 for operational completion of the hospital packages, including the capacity development until June 2011 and closure of the project by December 2011.
- On 5-6 August 2010, a Capacity Building and Coordination Technical Meeting was held in Istanbul. This meeting was attended by the Ministry of Health (MoH), Basrah Children Hospital (BCH), UNDP and WHO.
- At the end of 3rd Quarter 2010 sixteen (16) of the 19 packages/contracts had been completed by UNDP, with the remaining three (3) contracts reaching a completion rate of over 95percent.
- At the end of 4th Quarter 2010 18 of the 19 UNDP packages/contracts had been completed with the only outstanding being medical waste at 99%. The remaining outstanding package is WHO training which is through a LOA with cash advanced.

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.
- ❖ 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. A project concept note was prepared and approved within the UNDP Peer Review Process. UNDP took this issue to the Local Government and established the importance of the case, which has now been approved by the Local Government.
- ❖ 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. Additional works remain under implementation, but nearing completion at the end of 2nd Quarter 2010.
- ❖ The Basrah Children's Hospital was due to open in July 2010, but cannot due to the lack of power.
- ❖ The Basrah Children's Hospital is a red zone movement. The drawdown has affected movement/