

**United Nations Development Group Iraq Trust Fund
Project #66901: D2-21**

Date and Quarter Updated: 1 July-31 September 2009 - 3rd Quarter 2009

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	33 months including extension approved till Dec 2009				
Approval Date	22/03/2007	Starting Date	23/03/2007	Completion Date	23/12/2008 extended to 31 Dec 2009
Project Description	<p>The project addresses the decline of health services over more than two decades in Basrah and lower South. A MoH report of 2004 indicates that non communicable diseases are becoming the leading cause of death. The report illustrates alarmingly high under-5 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 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 who have acted as the UNDP Owner Engineer until 10th of 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 rate.
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>
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	US\$ 8,197,747	% of approved	37.69%
Funds Disbursed	US\$ 9,432,150	% of approved	43.37 %
Forecast final date	December 2009	Delay (months)	13

Direct Beneficiaries	Number of Beneficiaries¹	% of planned (current status)
Men		
Women		
Children	938,605 (potential)	full plan in process with focus on the specialized care hospital
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	

Quantitative achievements against objectives and results			% of planned
1	Stone Cladding	Mismatch issue solved and new amendment to the previous contract Tentative completion mid September with minor works and cleaning until October 2009	98
2	Residential Building	Contract terminated due to lack of performance. The new contract awarded on 8 Jun 2009 with completion 4th Quarter 2009.	25
3	Roads and parking	Work implementation in progress Expected completion 4th Quarter 2009 if areas are freed by other contractors	66
4	Closed Circuit Security System	Work implementation in progress. Final Completion is anticipated in 4th Quarter as cameras cannot be installed until stone cladding works and warehouse is finished.	99
5	Steam autoclave and oxygen generation plant, fire	Work implementation in progress with completion during 4th Quarter 2009	98

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.

	fighting facility and perimeter wall		
6	Perimeter drainage, site irrigation, well and soft landscaping	Work implementation in progress with expected completion in 4th Quarter 2009	58
7	Provision of back up diesel generators and auxiliary equipment for firm Supply of Electricity	Diesel Generator and Auxiliary Equipment has been delivered to the site, installed and commissioned.	99
8	Medical waste treatment equipment	Equipment has been delivered to the site. Expected completion of installation during 4 th Quarter.	70
9	Oxygen generation plant equipment	Equipment has been delivered and installed at the site. There is a problem concerning performance of the O2 generating equipment to provide uninterrupted O2 supply during summer period when ambient temperature reaches around 50 Deg. Overheating of the equipment was noticed. Technical team assisted by the subject expert have forwarded the recommendations to the contractor to solve the problem.	90
10	Gap items	Work implementation in progress with completion during 4 th Quarter	80
11	Warehouse	Work implementation in progress with completion anticipated in 4th Quarter. Sandwich panels installed and internal finishing in progress including painting, electrical/mechanicals.	85
12	General furniture	Installation of the goods in progress. Expected completion date will be during 4 th Quarter 2009.	63
13	Domestic furniture	Installation of the goods in progress. Expected completion date will be during 4 th Quarter 2009.	44
14	Offsite internet connection	Subscription to service provider is deferred until hospital inauguration. Expected completion during 4th Quarter 2009.	90
15	IT equipment	Equipment delivered to site. Completed.	100
16	Warehouse Shelving	The works are completed	100
17	Off Site Telephone	The contract has been awarded 1st June 2009. Expected completion 4th Quarter 2009.	20
18	ASSET management	The contract has been awarded on 12th June 2009. Expected completion 4th Quarter 2009.	10
19	Community Awareness	School campaign completed Exhibition in schools completed. Amendment for introducing Phase III is underway. Broadcasting of media spot on BCH has been handed over for final editing to UNDP	90
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.	work is ongoing by WHO

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;
- 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 also 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), Golf Region

Division (GRD) and US Army Corps of Engineers (USACE) Project HOPE;

- 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 was 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 7 work packages totaling USD 8.5m;
- 10-14 February 2008 capacity building & 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;
- 13-17 May 2008, a coordination meeting was held in Amman, UNDP Iraq, Recovery Crisis Prevention (RCP) Office including ITAO, GRD & US Army Corps of Engineers (USACE) team, MoH and Project Hope to discuss the progress of the construction works, delivery and installation of the equipment, training of the staff and financial status and financial needs;
- 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 3rd 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 2nd Quarter three new contracts have been 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.
- Twenty (20) contracts/work packages were awarded; two are completed and eighteen (18) are presently under implementation with seven at or above 90% completion

A coordination meeting was organized in Erbil during September for all the hospital projects including 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 Ministry of Health (MoH), UNDP and representatives of all contractors working on all sub-projects of the BCH project.

Main implementation constrains & challenges (2-3 sentences)

- ❖ Time extension for the project was requested and obtained till end of 2009 as a direct result of the following:
 1. Curfew due to the security operation in Basra was enforced in March 2008, which prevented the contractor, from accessing the construction site during March and April. The imposed curfew resulted in a two month delay.
 2. In addition, one of the major work packages, stone cladding was delayed. The original contract was terminated due to mismatch between the local Iraqi stone specified in the Invitation To Bid (ITB) and the technical specification provided by the hospital designer. The residential building package contractor's non-performance resulted in termination. This package is to be completed end of October 2009.
 3. The warehouse shelving ITB was issued for the third time but yielded nonresponsive bids due to the high requirements of the specifications prepared by the consultant delaying finalisation of the warehouse. The warehouse was expected to be completed in 3rd quarter.
- ❖ 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 that the Project Document signed stipulates 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 in the amount of approximately 160,000 USD with an Iraqi company to now provide 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. This pull out may additionally affect flights as well as having the potential to affect accommodation with full board and movement into the red zone which is the location of the Basrah Children's Hospital, especially for international staff.