

**United Nations Development Group Iraq Trust Fund**  
**Project #66901: D2-21**  
**Date and Quarter Updated: 1 October-31 December 2009 - 4<sup>th</sup> Quarter 2009**

**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>Geo. 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</b>	22-03-2007	<b>Starting Date</b>	23/03/2007	<b>Completion Date</b>	23/12/2008 extended to 30/06/2010
<b>Project Description</b>	<p>The project addresses the decline of health services over more than two decades in Basrah and lower South. A 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 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 who have acted as the UNDP Owner Engineer until 10<sup>th</sup> 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 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, 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,</p>

	<p>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>	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

<b>Funds Committed</b>	US\$ <b>17,989,960</b>	<b>% of approved</b>	82.71%
<b>Funds Disbursed</b>	US\$ <b>12,416,092</b>	<b>% of approved</b>	57.09 %
<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 510 long term opportunities for hospital staff 90 for subsidiary staff	

<b>Quantitative achievements against objectives and results</b>			<b>% of planned</b>
1	Stone Cladding	Works are completed. Certificate of Substantial Completion issued awaiting signature by MoH.	100
2	Residential Building	Work implementation in progress This original contract was terminated due to lack of performance on part of the Contractor. The new contract awarded on 1 June 2009 is ongoing with expected completion during 1 <sup>st</sup> Quarter 2010.	80
3	Roads and parking	Work implementation in progress Expected completion of Phase I as reported earlier was 15 Nov 2009 with major parts of the work completed. The completion of phase II Asphaltting is expected during Quarter 1 after solving the issue of the ditch as stated in the Issue section of the report.	83
4	Closed Circuit Security System	Works are completed. The Certificate of Substantial completion issued and signed by MoH. Operation of the system and Training of MoH on-going and will be finalized on 15 <sup>th</sup> January 2010	99
5	Steam autoclave and oxygen generation plant, fire fighting facility and perimeter wall	Works are completed. Certificate of Substantial Completion issued and awaiting signature by MoH	99

<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.

6	Perimeter drainage, site irrigation, well and soft landscaping	Work implementation in progress <b>Irrigation:</b> Imported material will be delivered to site end of Jan 2010. <b>Soft Landscaping:</b> Planting will begin after road and construction activities have been completed. The delivery of water has been made by MoH tankers, until such time as the permanent arrangement has been completed - anticipated in March 2010.	65
7	Provision of back up diesel generators and auxiliary equipment for firm Supply of Electricity	Works are completed. Operation and Maintenance is ongoing and will be finalized in October 2010.  It should be noted that the 11 KV connection to the hospital is not adequate and 33 KV is required. This is part of a separate concept note as not part of UNDP's mandate.	99
8	Medical waste treatment equipment	Works are completed. Certificate of Substantial Completion issued and to be signed by MoH. Three months Operation and Maintenance and "On Site" training by the contractor will start after initial operation of the hospital beginning during 1 <sup>st</sup> Quarter 2010, with anticipated start in late January.	95
9	Oxygen generation plant equipment	Works are completed. Certificate of Partial Substantial Completion issued and to be signed by MoH 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 ordered. Three months Operation and Maintenance and "On Site" training by the contractor will start after initial operation of the hospital beginning during 1 <sup>st</sup> Quarter 2010, with anticipated start in late January. The contract is instructed to retest the equipment during the summer period.	90
10	Gap items	Work implementation in progress with completion during 1 <sup>st</sup> Quarter 2010	90
11	Warehouse	Works are completed. Certificate of Partial Substantial Completion issued awaiting signature by MoH	98
12	General furniture	Installation of the goods in progress. Expected completion date will be during 1 <sup>st</sup> Quarter 2010.	90
13	Domestic furniture	Installation of the goods in progress. Expected completion date will be during 1 <sup>st</sup> Quarter 2010.	90
14	Offsite internet connection	Works are completed. Certificate of Substantial Completion to be prepared.	100
15	IT equipment	Equipment handed over to MoH.	100
16	Warehouse Shelving	The works are completed and handed over to MoH	100
17	Off Site Telephone	Work implementation in progress. Expected completion date will be during 1 <sup>st</sup> Quarter 2010	20
18	ASSET management	Equipment delivered to BCH. Expected completion date during 1 <sup>st</sup> Quarter 2010.	12
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.	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 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 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.

- At the end of 4<sup>th</sup> Quarter 2009 twenty (20) contracts/work packages were awarded; implementation works of twelve packages completed and 7 packages are scheduled to be finalized during 3<sup>rd</sup> quarter of 2010. One package remains with responsibility by World Health Organisation (WHO).

### **Main implementation constrains & challenges (2-3 sentences)**

- ❖ 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 to 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.
- ❖ It was identified that the 11 KV of electricity 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.
- ❖ Time extension for the project was requested and obtained till end of June 2010 as a direct result of the following:
  - Site irrigation, soft landscaping package will be completed in February 2010. Planting could not begin during road and parking construction activities as it would be damaged.
  - Although multiple work packages completed at the end of 4<sup>th</sup> Quarter 2009, additional six-months extensions will be required for monitoring and approval, operation and maintenance, and training activities of the following equipment:
    - Medical Waste Treatment (three months Operation and Maintenance and on-site training anticipated to start late January 2010)
    - Oxygen Plant (three months Operation and Maintenance anticipated to start late January 2010)
    - Diesel Generators and Auxiliary Equipment (six months Operation and Maintenance started 6<sup>th</sup> October 2009)
  - Close monitoring will be required after issuing certifications of substantial completion to ensure that all defects indentified as outstanding items are completed
  - Close monitoring will be required to ensure sustainability and that hitches are addressed once the building becomes fully operational and populated.