

**AIRGRAM**

**DEPARTMENT OF STATE**

5240080 ③

UNCLASSIFIED

CLASSIFICATION

For each address check one ACTION INFO

TO - AID/W TOAID A- 24 X

E. O. 11652 N/A

PD-AAB-119-A1

1975 FEB 25 11 10 23

5240080

DATE RECD.

DATE SENT 2/21/75

DISTRIBUTION

ACTION

LA  
INFO.

IDC

PHA

PPC

PA

FLD

FM

FSR

GC

GCFLD

GCLA

C

CALI

OA

TA/H

POP

DT

HEW

STATE

TRSY

X11B

1.2.6.8.3

FROM - USAID/MANAGUA

SUBJECT - Loan Completion Review Report for Loan 524-L-023 (Health Centers - Rural Mobile Health) (PAR)

REFERENCE - M. O. 1264.1

- A. The purpose of the Health Centers - Rural Mobile Health project has been achieved in that,
  1. Fifty-five new health centers were constructed, staffed and equipped, and the remaining Center, the large Western Health Center in Managua, will be completed in March 1975 utilizing the Borrowers funds.
  2. The Rural Mobile Health Program was continued and strengthened through the provision of necessary new vehicles, equipment and medicines.
  3. Newly graduated physicians and other university trained medical personnel were incorporated into the project under the obligatory Social Service Law of Nicaragua.

Another important purpose of the project was to achieve better coordination and integration of health activities carried out by the various public health agencies by strengthening existing coordinating mechanisms and implementing existing legislation. The coordination purpose of the project was less successful than the first three purposes which were completely achieved. Coordination between the three agencies involved in the Nicaraguan health sector, the Ministry of Health, JNAPS and INSS was improved, but additional coordination is still needed. The forthcoming rural health sector loan will further address this issue and an important portion of the technical assistance requirements of this new loan will be directed toward an investigation of the most efficient method of improving coordination within the sector.

PAGE	PAGES
1	3
OF	

DRAFTED BY N.B. <i>[Signature]</i> , CAP	OFFICE CAP	PHONE NO. 290	DATE 2-18-75	APPROVED BY: Robert E. <i>[Signature]</i> , Director
---	---------------	------------------	-----------------	---

AID AND OTHER CLEARANCES  
 HSD: J. *[Signature]*, ENG: W. Bowles (in draft), CAP: J. Sanbrailo (in draft),  
 CONT: R. *[Signature]* UNCLASSIFIED DCM: L.W. Warner Jr.  
 D/DIR: E. *[Signature]*

CLASSIFICATION

**COPY**

- B. All covenants included in the Loan Agreement have been met with the exception of two Special Covenants. Special Covenant 5.1 Reports on Coordination and Integration of Health Services has not been met in that a report was not submitted for 1974 summarizing progress made toward achieving more effective coordination and integration of health services carried out by the Borrower's health agencies. The Borrower has been requested to complete such a report and we expect to receive it within the next two months.

Special Covenant Section 5.2 Technical Personnel was not fully complied with in that the Borrower was not able to attract sufficient doctors to staff all health centers on a twelve month basis. In retrospect it appears that the AID requirement was unrealistic in requiring all health centers to be staffed by a full-time doctor. Recent studies have shown that a more efficient use of personnel resources would be to provide medical services with a full-time nurse in all health centers, but that some of the smaller health centers could be adequately served by regularly scheduled doctor visits. This is now being implemented by the Ministry of Health upon the suggestion of AID. This covenant should be considered open and will require continued monitoring by AID; however, if progress continues at the present satisfactory rate we may expect that all health centers will be adequately serviced with trained personnel during the next several years.

C. Reporting Requirements

Except for the annual submission of audited financial statements and the report on coordination, no additional reports will be required from the Borrower.

D. Monitoring Responsibilities

Under a separate grant agreement the Borrower is presently being provided technical assistance in improving the Administration of the Ministry of Health. The contracting firm, Practical Concepts Inc., providing this assistance is including a report of staffing progress in the monthly resume of its activities provided to the Mission.

The completion, staffing and equipping of the large, Western Health Center is being monitored by the USAID/Nicaragua's Engineering Office and Public Health Office. The Center is located within three miles of the Mission and on-site inspections will continue to be made on a bi-monthly basis until the Center is fully functional. Although all AID funds have been fully disbursed, sufficient monies of the GON remain in an ear-marked fund to pay all costs for completion of construction and equipping the Center.

The Mission concludes this report with the judgement that all residual monitoring

responsibilities will be completed by August 1975.

E. Future AID Efforts to Assist the GON in Improving Rural Health Services

As noted above, the Health Centers--Rural Mobile Loan has been successful in achieving the basic purposes of the project and expanding health services in rural areas. However, as noted in a detailed Evaluation Report conducted on this project in late CY-1973, the GON's Health Centers System has been plagued by serious management, supply, staffing, and maintenance problems and the System could be made much more efficient (see PCI Evaluation of Nicaraguan Health Centers Loan on file in AID/W). The Mission has provided the MOH with technical assistance in 1974/75 to assist in resolving some of these problems and good progress in improving the overall management of the Health Centers System is being made. In addition, in December, 1974 the GON initiated a Health Sector Assessment that will further analyze the large issues effecting the MOH's Health Centers System and provide an analytic framework for continuing AID financed rural health projects in Nicaragua.

Based on the results of the Nicaraguan Health Sector Assessment, the Mission expects that new AID financed grant and loan projects will be initiated in FY-1976 and that these projects will be heavily oriented to assisting the Ministry of Health improve its overall management and administration capabilities, further improving the Health Centers System. Thus while the Mission will continue the residual monitoring described above, it will also continue to monitor the overall management of the GON's Health Centers System within the context of the current Nicaraguan Health Sector Assessment and the upcoming new AID grant and loan projects for rural health in Nicaragua. For additional details, see USAID/Nicaragua IRR for Rural Development Sector Loan III (Health) presented to AID/W on January 31, 1975.

SHELTON