

AGENCY FOR INTERNATIONAL DEVELOPMENT  
**PROJECT PAPER FACESHEET**

1. TRANSACTION CODE  
 A ADD  
 C CHANGE  
 D DELETE

2. DOCUMENT CODE  
3

3. COUNTRY ENTITY  
Regional Contractor

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 digits)  
[ 931-1016 ]

6. BUREAU OFFICE  
 A. SYMBOL: TAB  
 B. CODE: [ 06 ]

7. PROJECT TITLE (Maximum 40 characters)  
[ Appraisal Health Management Systems ]

8. ESTIMATED FY OF PROJECT COMPLETION  
FY [ 7 | 9 ]

9. ESTIMATED DATE OF OBLIGATION  
 A. INITIAL FY [ 7 | 7 ]  
 B. QUARTER [ 3 ]  
 C. FINAL FY [ 7 | 7 ] (Enter 1, 2, 3, or 4)

10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$1 - )

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL						
GRANTS	500		500			500
LOANS						
OTHER U.S.						
HOST COUNTRY		53			53	53
OTHER COUNTRIES	500	53	500		53	553
TOTALS						

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY 77		K. 2ND FY		L. 3RD FY	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	M. GRANT	N. LOAN
(1) Pil	589	530		500					
(2)									
(3)									
(4)									
TOTALS				500					

A. APPROPRIATION	N. 4TH FY		O. 5TH FY		LIFE OF PROJECT		12. IN-DEPTH EVAL. SCHEDULED
	P. GRANT	Q. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
(1)					500		MM YY 01 79
(2)							
(3)							
(4)							
TOTALS						500	

13. DATA CHANGE INDICATOR WERE CHANGES MADE IN THE P/D FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED P/D FACESHEET.

No 1 = NO  
2 = YES

14. ORIGINATING OFFICE CLEARANCE

SIGNATURE \_\_\_\_\_

TITLE \_\_\_\_\_

DATE SIGNED  
MM DD YY

15. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W OCCU. MENTS, DATE OF DISTRIBUTION  
MM DD YY

PROJECT PAPER -- APPRAISAL HEALTH MANAGEMENT SYSTEMS

I. Project Summary and Recommendations

A. Facesheet

B. Recommendations

It is recommended that grant funds of \$500.0 thousand dollars be allocated to carry out this project over a period of three years and that a contractor be selected and funds provided up to \$484.0 for contract services, the balance of funds of \$16.0 reserved for project review and evaluations.

C. Description of the Project

1. Project Action Plan

This project is designed to produce a new methodology for more completely and accurately appraising the management of health sector institutions. (See Note) The methodology will be developed by means of a five step (or phase) process beginning with a review of current literature and practice in the U.S. and other countries. With the "state of the art" review serving as background, the methodology appraisal design will be developed, field tested, applied in a health sector assessment or analysis and produced for dissemination and use.

These steps will be carried out by an AID/W selected contractor:

Step 1: Search of current literature and practice (five months)

The contractor will determine the "state of the art" by a review of current literature and practice in the U.S. and other countries. To do this the contractor will utilize short term specialists, establish ties with international organizations other than AID to broaden his field of search

Note: The term "institutions" is chosen over the term "organizations" to provide a broader basis for appraising all factors impinging on management of the health sector. As one writer, Norman Uphoff, puts it: "an institution is more than an organization and more than a cultural pattern. It attracts support and legitimacy from its environment so that it can better perform its function and services."

and review, and prepare a document that contains an annotated bibliography as well as abstracts of pertinent documents by subject area.

Step 2: Methodology Design (five months)

Utilizing data obtained in Step 1, the contractor will proceed to develop the appraisal methodology design. He will make ample use of U.S. and non-U.S. specialists in this effort, coordinating his activities with TA/II, HEW-OIII and others as indicated.

In anticipation of testing the methodology (Step 3) the contractor will have tentatively selected the country in which the methodology is to be tested and proceed to develop instructional or orientation materials for the local country field team to be selected. The contractor will include in his work program visits to two to four test sites and obtain tentative participatory agreements. A scope-of-work for the field test activity will be written.

Step 3: The Methodology Field Test (six months)

At this stage the field test team will be formalized, orientation sessions carried out and the methodology design applied in a test situation in the country where the methodology was produced. The methodology design will be revised based on experience gained in the field test and developed into an appraisal methodology for use as a part of a health sector assessment

Step 4: Application of Methodology Appraisal in Sector Analysis  
(five months)

The contractor will next apply the methodology developed in Step 3 above in a health sector assessment. The Technical Coordinating Committee, described in the next section, will form a panel composed of U.S. and other country experts to review the appraisal methodology.

Step 1: Preparation of the Methodology (two months)

After review of the methodology by the panel and modifications made based on recommendations, the methodology will be edited and published for dissemination to selected users.

2. Project Organization and Implementation

The project will be carried out under an AID/W contract with the contractor serving as the implementing agent. The contractor could be a university or non-profit institution but more likely may be a management consultant firm able to draw upon a diverse range of institutions and personnel, including the university community.

The contractor will work closely with TA/DA, with TA/DA having the technical responsibility for the project. Since TA/H has a strong interest in the project, a coordinating committee will be formed under the leadership of TA/DA with committee representatives from TA/H, HEW-OIH and WHO. Representation from geographic bureaus' health-related offices will be included at appropriate times in the project's development.

The involvement of other offices is important not only for the technical contributions representatives can make to the project but also because several will be future users of the methodology.

The personnel makeup of the contract should be such as to assure during the life of the project a full-time Director, a full-time Research Associate and a half-time Administrative Assistant-Secretary. Short-term specialists will be brought on board as needed. The optimum use of skills to carry out the project can best be determined when the work plan is prepared and the Project Director has visited prospective participating countries.

TA/DA's monitoring of the project will require approximately three man months each year of direct hire services during the estimated two years' life of project.

### 3. Inputs Furnished vs. Outputs Forecast

The principal inputs to this project are 77 person months of professional services which include a Project Director, a Research Associate, twelve months' secretarial services, 12 months of Research Assistant services, and up to 10 or 12 subject area specialists in as many management areas. The selection of the contractor and staff will be critical to success of the project and for that reason several safeguards are being established to provide guidance on contract staffing, methodology design and the final product.

Utilization of TA/DA staff and consultants, as project monitors, and the health sector panel to provide a contractor review and evaluation service should assure the desired output of the project.

### 4. End of Project Status

At the end of the project there will be expected a published health management appraisal methodology document with the methodology having been field tested and applied in one sector assessment situation. The published document will contain information derived from field testing on the kinds of data and time needed, types and qualifications of manpower to do the job, information on how to organize and train staff to conduct assessments and where to get expert assistance.

## E. Project Issues

Distribution of the PID to geographic bureaus and health-related offices caused no specific issues to be raised except in one case which called attention to an inconsistency in wording in the PID for this project and the one on health management training. This inconsistency has been resolved. There may be other issues worthy of discussion and review such as:

1. Are there contractors with sufficient background to do the job? Can contractors (a) produce the current state of the art; (b) systematize this knowledge and make it useful in appraising the health sectors of developing countries and, (c) produce a methodology? Two contractor candidates have been identified thus far who appear to have the background and capability to do the work specified in this project.
2. Can a country be found willing to undertake a self appraisal of sufficient depth to warrant the proposed input of funds? What country or countries would be available for such an "intervention"? Success in obtaining country participation in the proposed health management training project being developed has been most encouraging. If this is any indication it should not be difficult to get country participation in this project.
3. Is the project duration proposed sufficient to complete project purpose? Should the time span be lengthened? This issue has been reviewed with TA/H and the conclusion drawn that the project should be completed in two years assuming early identification of a contractor and country shortly after project approval.
4. Considering the close monitoring of the project by TA/DA, with the participation of TA/H and others, are direct hire time estimates adequate? The nature of this project will require more than the usual direct hire inputs. For that reason six direct hire person months over a two-year period has been provided plus two person months consultant evaluation and monitoring services.

## II. Project Background and Detailed Description

### A. Background

A Work Group commissioned by AID in late 1975 to study the problems associated with management and development administration concluded that: <sup>1/</sup>

"Management improvement in the developing countries merits high level, continuing attention as a vital dimension of effort to improve the quality of life in those countries .... In combination with other vital factors -- social, economic, and technical -- improved management can make a very substantial difference. It is an essential, and all too often missing, ingredient of development efforts."

As reported by the work group, management of development programs is becoming even more complicated as recognition is given to the need to orient programs toward the "poorest groups in the developing countries" and the attempts<sup>made</sup> to carry out village and regional development and integrated sectoral development programs. Adequate management at all levels is considered a principal ingredient for success. This project is a logical outgrowth of the recommendations of the work group, but with emphasis limited to:

- a. "Expanding the Agency's efforts in operational management research and development for sectoral and area specific application."
- b. "...building host country capacity for managerial analysis, implementation and evaluation."

1/ AID, Report of the Work Group for the Review of the Programs in Management Improvement and Development Administration of the Agency for International Development, 1975.

WHO, in technical discussion papers at the World Assembly in 1974, emphasized the need for better management of health services "if higher standards of health and health care are to be achieved." According to WHO, the state of health for a country's citizen today has to be thought of in "big system" terms. WHO points out the present trend in many countries is to look to methods of management that have been developed in other sectors and to apply them to the health sector. (See reference below.)

Application of these methods of management become more essential when health services are extended to larger segments of the population, particularly those residing in the rural and urban poor areas. Those who must deal with management systems, however, have few and, in many instances, unreliable guidelines to follow to determine whether the system in which they work is adequate and appropriate for the tasks to be achieved.

This lack of guidance has been observed in AID's own participation in health sector assessments in developing countries. Up to the present, there exists no fully developed and tested guidance on how to conduct field appraisals of health management systems; therefore, developing countries or international agencies, such as WHO, AID or PAHO assisting these countries, have no effective way of appraising

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WHO, "Modern Management Methods and the Organization of Health Services." Public Health Papers, 1974. p.8 and p.9.

institutional and administrative strengths and weaknesses of public and private health institutions of whatever level under consideration, e.g., national, regional or local units. There is no standard, reliable way of appraising major management problems requiring remedial action or to prepare problem oriented responses/solutions to key deficiencies.

Those engaged in AID-sponsored health sector analyses have found a need for a methodology to use in appraising health management systems. The need for this project was first proposed by Mr. William Worcester and Dr. Joe Davis of TA/H whose offices in coordination with OIH/DHEW participated heavily in health sector analyses in a number of countries. Both offices have found a great need for the methodology as has PAHO which has health administration experts located in most of the Latin American countries.

The project has developed through discussions with representatives of the above offices who not only have agreed to participate in the formulation of the project but to utilize the product in their own work of health sector appraisal.

#### B. Detailed Description

Goal. Eventually, the Project should contribute to those health sector institutions assisted by AID by a reduction in their costs and an increased capacity to deliver health services to more people. Because this is an AID/W methodology project, it cannot be predicted what specific institutions, in what countries and in what time frame may be expected to utilize the appraisal procedures; thus a quantification of the goal is not feasible.

Assumption: A sound institutional appraisal can only pinpoint the constraints and suggest remedial measures. The government and institutions involved in the appraisal must then take the necessary policy and implementing decisions and allocate the resources necessary to realize the benefits of the organizational improvements.

Purpose: The attainment of the above goal is clearly and directly dependent upon the quality of the institutional appraisal that is made of health sector organizations. Hence, the purpose of the project is to develop and test methods for more complete and accurate appraisals of <sup>the management of</sup> health sector institutions. These sector appraisals are conducted as joint ventures of collaborating countries and USAID Missions. The number, scope and timing of these sector assessments is beyond the control of this Project. It is possible, however, to verify the End-of-Project status by examining assessments conducted with the use of the improved method for evidence of greater accuracy and completeness.

Assumptions: This purpose is achievable if two conditions occur: (1) AID/W disseminates the methodology along with the necessary expertise and training of counterpart personnel in the use of the procedures, and (2) the collaborating countries and AID Missions actually apply the procedures with the requisite access to information, professional manpower and time.

Outputs: Given the purpose above, then the specific output of this Project is a tested methodology for health sector <sup>managerial and</sup> institutional appraisal. The technical specifications of this output in terms of what elements are to be covered are detailed below. The outputs will include information

derived from field testing on the kinds of data and time needed, types and qualifications of manpower to do the job. The output includes information on how to organize and train staff to conduct the assessment, and where to get expert assistance.

Assumptions: A critical assumption is the availability of a collaborating country and AID Mission for the field trial and application of the methodology. This collaboration involves access to institutional data, counterpart personnel, and logistic support. Moreover, the timing of this collaboration is critical for it must occur within the time span of the contract or else create a costly delay in the contract operation.

Inputs: The outputs are to be secured through AID/W financing of a contractor for an estimated 87 person /months of professional/services. The field trials will involve a contribution by the respective AID Mission and LDC to an extent not yet quantifiable until the methodology to be used is developed. The specifics of these input arrangements will be negotiated with the selected USAID and LDC at the appropriate time.

Assumptions: Of course, it is assumed that it is technically possible to develop methods for institutional appraisal that will meet AID needs and that the procedures are applicable to a variety of organizations in a variety of different cultures.

PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

Life of Project:  
From FY 77 to FY 79  
Total U.S. Funding 500.0  
Date Prepared: February 1, 1977

Project Title & Number: Appraisal Health Management System

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><b>Program or Sector Goal:</b> The broader objective to which this project contributes:</p> <p>1. Increase the benefit/cost ratio and increase the effectiveness of health sector institutions assisted by A.I.D.</p>	<p>Measures of Goal Achievement:</p> <p>1. Existence of projects which correct those management difficulties identified in assessments (AID supported, other donor supported or initial host country projects).</p> <p>2. Improved management in AID supported health projects:</p> <p>a. More timely use of inputs; b. Better control of input-output process; c. More concern with institutional management.</p>	<p>1. Project Papers and Program Agreements produced.</p> <p>2. PARs reflect better management priorities.</p>	<p>Assumptions for achieving goal targets:</p> <p>LDCs take the necessary action to expand health service and allocate resources in accordance with recommendations for institutional improvements.</p>
<p><b>Project Purpose:</b></p> <p>1. Increase the effectiveness of health sector managerial and institutional appraisals.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <p>1. More complete and accurate pinpointing of management constraints.</p> <p>2. More useful information on the dynamics of administrative reform;</p> <p>3. Better recommendations for priority administrative actions within assessment defined strategy.</p>	<p>Examine sector assessments, plans, programs and projects for quality of institutional analysis and development plans.</p>	<p>Assumptions for achieving purpose:</p> <p>1. The methodology will be utilized by LDCs and AID Missions, with adequate data, resources and time available to derive the benefits from the method.</p> <p>2. AID/W provides training and consultation in the use of the improved methods.</p>
<p><b>Outputs:</b></p> <p>1. Develop and test methodology for institutional appraisal of a health sector in A.I.D.-assisted developing countries.</p>	<p>Magnitude of Outputs:</p> <p>1. A written statement of a methodology and how to use it (500 copies).</p> <p>2. Report and evaluation of a field trial of the method.</p> <p>3. Report and evaluation of an actual sectoral appraisal (if feasible)</p>	<p>1. Examination of the documents expected as outputs.</p>	<p>Assumptions for achieving outputs:</p> <p>1. Collaboration of 1 or 2 AID Missions and host countries in the field trial and application of the methodology, involving funding, access to data and counterpart staffing of the field trials.</p>
<p><b>Inputs:</b></p> <p>1. AID/W financing for contractor services of 77 man months.</p> <p>2. USAID and LDC salaries for counterpart personnel and logistic support at test-sites.</p>	<p>Implementation Target (Type and Quantity):</p> <p>1. Budget Summary</p> <p>2. Specification not possible until scope of appraisal is defined.</p>	<p>1. AID/W accounting reports and contractor progress reports.</p>	<p>Assumptions for providing inputs:</p> <p>1. It is possible to find a workable methodology applicable to various organizations.</p> <p>2. A contractor can be found with the requisite skills.</p>

### C. Technical Description

1. The contractor will be asked to develop the following outputs:
  - a. A statement on how to conduct an appraisal of management in the health sector, following the topical coverage described below.
  - b. A statement on how to train users of the above methodology, along with suggested training materials.
  - c. A statement on the requirements deemed necessary to apply the method, including number and kinds of manpower, the cost, data inputs, and time.
  - d. An annotated bibliography on health sector management appraisals.
  - e. A summary statement on the current state of the art as expressed in literature and current practice.
  - f. A list of resources for future utilization, covering individuals and organizations with experience in conducting such appraisals.

### 2. Topical Coverage

The topics to be covered by the methodology have been closely coordinated with TA/H and HEW-OIH in order to avoid possible duplication and to make these outputs dovetail with other sector methodology development underway. This Project will deal with topics at the sectoral and the institutional level as follows:

#### a. Sectoral Level

- (1) Help define the scope of the health sector, i.e., how to determine what functions and organizations are to be included and excluded from a sector appraisal.

(2) How to appraise the mechanisms for providing sector coordination, policy formulation, sector plans, resource allocation and evaluation.

(3) How to assess the adequacy of intersectoral coordination for policy, program, budget, and operational aspects.

b. Institutional Level

Leadership

Organizational Behavior

Organizational Structure

Planning and Programming Processes

Health Management Information Systems (not Health Management in General.)

Control Evaluation Systems

Personnel Administration and Training

Accounting, Auditing and Disbursing

Logistics, Communication and Supply (except for Drugs)

Facility and Equipment - Management aspects

Administrative Services

3. Project Phases

The contractor is expected to develop the outputs in the following sequence:

Phase I - Review the best in the current practice and literature on how to conduct appraisals. This phase includes extensive interviews and observation of field practice in selected LDCs where sector appraisals had occurred. During this stage there will be a preliminary identification of possible field sites for later testing of the methodology.

Phase II - Design the appraisal methodology. This phase will be done largely in the U.S. with inputs from a variety of specialists covering the various topics, and consolidated by the Project Core Team into a coherent procedural document.

Phase III - Field test the methodology in a selected LDC, utilizing both contractor and host country personnel. Based upon this experience, make the modifications necessary in the procedure.

Phase IV - Conduct a health sector management appraisal in order to obtain a full scale application of the methodology. Evaluate the results and make the appropriate adjustments in the procedures. This phase will be conducted in concert with host country personnel in an attempt to experience conditions as closely as possible to those normally encountered.

Phase V - Conduct a final Panel review of the results and then final editing and publication of the statements mentioned in the Outputs above.

### III. Project Analysis

#### A. Technical Analysis

This Project is not a country-level application of a known technology. It is an AID/W sponsored Project to develop and document an analytic methodology. Hence, the usual technical analysis of the appropriateness of a given technology is not appropriate in this case.

The technical approach to this Project is based on a three step logic: (1) identify the best of what is currently known about conducting managerial and institutional appraisals; (2) systematize this knowledge into a procedure applicable to the health sector or a health sector institution in a developing country; (3) apply the procedure in an actual situation and modify the procedure based on that experience.

The technology attempts to go from the known to the unknown. It utilizes whatever is known in the relevant disciplines of the management field and social sciences and utilize whatever has been found to work in actual practice. There are several unknowns: what are the minimum relevant sets of variables that have to be appraised; how can they be measured or appraised; what level of data, time, cost and reliability is necessary for an appraisal; what are the standards or criteria for sound operation of the health institutions; do these criteria hold for different cultures, different health systems, different organizations, different basic purposes, for both public and private sector? The contractor will need to clarify these unknowns.

Given the nature of the problem, the technical approach chosen for this Project seems to be a reasonable and appropriate one.

The approach has also been carefully designed with diffusion and utilization in mind. The major/<sup>initial</sup>users of the method are likely to be AID, PAHO and HEK. (It will be available for ministries in countries wishing to use it with or without consultant assistance). Representatives from the relevant units in the three organizations are involved in the design of this Project as well as the technical coordinating committee to be established for Project oversight. Thus, the chances for diffusion and utilization are increased. Moreover, the Project calls for a diffusion capability in the following ways:

- copies of the methodology.
- capability to train others on the use of the method.
- expert consultants available.
- information on resources available for assistance.

The methodology is also made more replicable by fitting it to the specific kinds of needs and constraints encountered in developing countries. Attention will be given to the following factors:

- availability of the data inputs.
- the kind of organizational models that fit various stages of sectoral development.
- the type and number of specialists required to conduct an appraisal.
- the ways in which data can be analyzed, and presented for meaningful decisions.
- the time and cost required to conduct appraisals.

A method that has been field tested and that deals with the real environment in which such appraisals are conducted will enhance the probability of its diffusion.

## B. Financial Analysis and Plan

The product of the project should provide a means to reduce the costs of sector analysis by incorporating into the analysis a uniform technique for the study of health management practices. Management analysts will have a tool to appraise the health sector which has been developed and tested in a developing country situation. Where management analysts are not available it can improve the results of those who do not have management backgrounds but who must, nevertheless, make some judgments on how well (or how poorly) the health sector is being managed.

TA/H estimates that ten to twelve sector assessments will be carried out by AID during FY 1975-76. Use of the methodology in such assessments should improve management considerations and serve to standardize the analytic process, thereby, enhancing the possibilities of comparative analysis.

As the appraisal becomes a part of the general literature it will be available for use by others than AID alone. Donor agencies, such as WHO, can use the methodology for their own purposes. Most important for AID is that sector analyses, having as one purpose the identification of health projects for AID financing, will also identify management deficiencies which may reduce the chance of successful project implementation. The methodology will point out beforehand management deficiencies and identify areas of weakness that need rectifying before entering into substantive health project agreements.

Projects can be identified whose sole purpose is management improvement. Such projects can be entered into to resolve specific

management deficiencies and can be justified independently. They can also be the forerunner of AID or other agency health projects which have the purpose of substantively improving specific areas of the health system, e.g., rural health delivery systems, family planning programs, training of health personnel, supply and maintenance, communication systems.

The total cost of the project is estimated at \$500.0 to be funded by AID but with a portion of local costs estimated at \$53.0 borne by the participating Ministries or other health sector institutions. Local costs will include salaries for released time personnel, office space and some secretarial services, some in-country travel and data collection. A factor in choosing the country or countries to work in will be a commitment to contribute to funding project local costs.

Table I below summarizes the costs of the project by fiscal years. Table II provides a cost breakdown by the four project phases. Table III (Annex B-2) provides project cost analysis data.

TABLE I

PROJECT SUMMARY COST ESTIMATE BY FISCAL YEARS  
(US\$'000)

Line Items	YEAR 1		YEAR 2		YEAR 3		Person Months	AID	Host Ctry	AID Host Ctry	
	AID	Host Ctry	AID	Host Ctry	AID	Host Ctry				AID	Host Ctry
Salaries	66.9	15.0	36.1	10.0	31.8	7.5	59	133.6	22.5	156.1	
Consultant Fees	30.8		13.5		6.0		18	59.3		59.3	
Travel	8.7	2.0	2.9	.4	3.4	1.0		15.0	3.4	18.4	
Per Diem	3.6	2.0	4.1	1.0	2.6	1.0		10.3	4.0	14.3	
Other Costs	4.0	5.0	7.2	2.5	1.0	2.5		12.2	10.0	22.2	
Sub Total	(114.0)	(24.0)	(65.8)	(13.9)	(44.8)	(12.0)		(224.6)	(49.9)	(274.5)	
Inflation Factor 10%	11.4	2.4	7.0	1.3				18.4	3.3	21.7	
Sub Total	(125.4)	(26.0)	(72.8)	(15.2)	(44.8)	(12.0)		(243.0)	(53.2)	(296.2)	
Overhead 5%	105.3		61.5		37.6			204.1		204.1	
Fringe Benefits 15%	18.3		10.9		6.7			36.4		36.4	
Construction	248.5	28.0	145.2	15.2	89.1	12.0		433.5	33.2	466.7	
Equipment	3.9		12.6					16.4		16.4	
Project Total	353.3	26.0	157.8	15.2	89.1	12.0	77	499.9	53.2	553.1	

TABLE II

PROJECT COSTS BY PHASES  
(Excluding Host Country Costs)

Line Items	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	TOTALS
Salaries	31.8	31.8	35.1	38.1		136.8
Consultant Fees	6.0	24.0	6.8	13.5		50.3
Travel	3.4	6.0	2.7	2.9		15.0
Per Diem	2.6	1.6	2.0	4.1		10.3
Other Costs	1.0	2.5	1.5	1.0	6.2	12.2
Sub Total	(44.8)	(65.2)	(48.1)	(59.6)	(6.2)	(224.6)
Inflation Factor - 10%		6.7	4.8	6.0	.6	18.1
Sub Total	(44.8)	(72.5)	(52.9)	(65.6)	(6.6)	(242.7)
Overhead 84%	37.6	60.9	44.4	55.1	5.7	203.7
Fringe Benefits 15%	6.7	10.9	7.9	9.8	1.0	36.4
Contract Costs	89.1	144.3	105.2	130.5	13.5	482.6
Evaluation Costs			3.8	12.6		16.4
Project Costs	89.1	144.3	109.0	143.1	13.5	499.0

### c. Social Analysis

Since this Project is an AID/W R&D project with no particular country setting, a full social analysis as described in the AID Handbook 3 is not appropriate. The Project's output is essentially a methodology tool for use in conducting health sector assessments. This assessment procedure is normally undertaken by a relatively small group of professional people during a finite period of time. The trial phase of this Project will be an experiment in the socio/cultural feasibility of the assessment procedure as well as a technical trial. Thus the Project Design is sensitive to social adaptation and will seek to incorporate the experience gained into the final outputs.

Although the country sites for the trial phase are not yet known, the sections below attempt to analyze the probabilities of the social environment and the expected approaches by the contractor to fit into those cultural settings.

1. Socio-Cultural Feasibility - Development of the health sector appraisal methodology will require examination of the current practices of sector governance, personnel policies and interpersonnel relationships, organization structures, fiscal policies and practices for the countries selected. Because the analysis may deal with practices that are embedded in the cultural fabric of the people, the Contractor must be sensitive to the socio-cultural values that shape the present management system.

#### a. Selection of Organizational Units

The focal point of the analysis will probably be the Ministry of Health. This will not preclude contact with other sector institutions

such as the Social Security; nor those institutions and individuals found in the private sector, e.g., physicians, hospitals, health clinics. The private sector in many countries comprise up to one-half of the total sector makeup.

Locating the project in the Health Ministry will require the approval of the Minister of Health. The Minister will be asked to select the appropriate office, probably the Health Planning Office, to serve as the local counterpart of the contractor. The Minister will appoint the Country Project Coordinator. The Country Project Coordinator will assist in the selection of personnel and work with the Contractor to prepare the plan of work and schedule work activities necessary to conduct the Project.

Team members assigned to the project should be those who have or will have management responsibilities in the health sector. They should be in the position to influence or make decisions regarding testing of the methodology (if both development and testing are done in the same country) and to direct application of the methodology in their own Ministry.

The use of the methodology should ultimately affect the manner in which projects are managed, which in turn should increase the effectiveness of the program delivered to the rural poor.

b. Selection of Project Personnel

Project strategy calls for involvement of selected health sector personnel in the trial country both during development of the methodology and its testing. Those engaged in developing the methodology will examine traditional practices of health management, question the validity of these practices in terms of present needs, compare them with known best practices, and go so far as to suggest changes or modification of current practices.

It is essential that officials in the trial countries be intellectually prepared to objectively examine their own health sector management practices. One important clue to proper selection of participants is the extent of commitment already made to participating in health sector analysis or assessment. Officials who have made such commitments are probably willing to go the next step of management analysis.

A second clue to selection is the extent to which health sector officials are aware of the need to review present management practices because of new demands being made on the system. There should be evidence that these officials sense inadequacies in the traditional ways of management and are finding in their daily activities that what worked in a less complex system no longer suffices in a system growing in scale; furthermore, as their government responds to popular requests for more and better health services for larger segments of the population, notably in the rural areas, there is recognition that

the traditional management practices are not meeting the demand of the extended health delivery system.

A third clue relates to efforts being made to get additional resources for the health sector. Such efforts are exerting added pressures as donor agencies require, as a condition to grants and loans, evidence of adequate management capability. To obtain such external financing health officials are looking for ways to improve management practices in order to qualify for donor assistance. Participating in development and testing of the methodology may be looked upon as a way to qualify after recommended actions have been taken to modify management as the result of self appraisal.

c. Motivational Factors

The pressures on health officials to examine current health management practices are considerable. When these practices are observed as being inadequate to meet changing conditions enlightened officials are motivated to seek a workable system. Pressures may come from ministers and top political appointees or from humanitarian desires or as a matter of professional pride. For those meeting the challenge the payoff can be in recognition and enhanced prestige, if not in immediate financial reward.

d. Role of Women

Although this project has no direct input into enhancing the role of women in developing countries, the indirect implication is clear where use of the methodology will benefit health management and, thereby, health services. The ultimate beneficiaries will be the total populations, both men and women.

A more direct benefit to women will be encouragement of the contractor to include women as staff members and host country design and

field test team members. Women's role may be further given attention by including in the methodology appraisal a section given over to appraising the role of women in health sector management, thereby alerting users of the methodology in the country being appraised to consider the form and extent of the role of women in health sector management. The contractor will be advised to consider the role of women in his published methodology.

e. Environmental Implications

This project will have no known direct impact positively or negatively on the environment. The nature of the project is one to provide a methodology for use at looking at health management practices. What these practices are could conceivably have an indirect impact but the link between cause and effect would be difficult to determine and would, therefore, have little relevance to either the environment issue or the project output.

f. Obstacles

Care must be exercised in dealing with old line officials. As pointed out by one PAHO official in discussing constraints to change in his own culture (applicable in other cultures as well, including the U.S.) modification of management systems is difficult to achieve when it conflicts with the attitudes of old line officials who see little

reason to adjust to new management concepts. He cautions that an effective management appraisal must carry a well thought out strategy for getting acceptance and cooperation of top level officials at the several organizational levels where the work will be done. He suggests further that:

- a. The methodology must cause the least amount of social disruption consistent with development objectives.
- b. The benefits assured by those formulating the project must be similarly perceived by the recipients.
- c. The methodology must be in tune more with the characteristics of the country than that of the donor.

## 2. Spread Effects

How those developing the methodology perceive its use in their own situation will be a first indicator of its applicability in a broader context. Ideally, those who participate in its development will be the first to see its utility in appraising their own health system, and they will take the next step, which may be to modify their own current management practices. Such a step will be facilitated if consideration has been given to keeping key sector officials up to date on the development of the methodology.

The methodology's intended use is as a part of a health sector analysis or assessment, although it can be used independently of any other analysis. Whether used with or without sector analysis, the spread will occur as its utility is recognized. It will form a significant part of the literature on the general subject of sector

analysis, project design and implementation, but <sup>its</sup> / greatest value will be in its application to specific health management situations. Used to identify management problem areas which changes in management practices can improve or alleviate, the methodology can become a tool for use by any country wishing to systematically appraise the adequacy of its health management system.

More specifically, the Project strategy calls for a diffusion strategy in the following ways:

1. Publication of the methodology and its distribution to the World Health Organization, Pan American Health Organization, the Office of International Health in HEW, Office of Health in AID/W and such Missions and host countries as are interested.
2. Provision of training materials to interested Missions, host countries, WHO, PAHO, HEW, etc.
3. Identification of expert resources (consultants and organizations) to assist in spreading the techniques.
4. Participation of individuals from PAHO, HEW and selected LDCs in the process of developing the methodology through this Project.
5. Notification of donor agencies (World Bank, IDB, UNDP, etc.) of the existence of this methodology and access to its use for their sponsored projects or sector analyses.

## D. Economic Analysis

The long range economic justification for this project is the effect the methodology, when used in appraising health management systems, can have on improving the effectiveness and efficiency of these systems. It is generally recognized that health systems in developing countries are among the sectors most poorly managed. This is due in large part to the fact that health officials do not have the background and training to manage and administer complex organizations.<sup>1</sup> This may have not been necessary when health services were limited pretty much to the care and comfort of the sick, but now that that role has been extended to the prevention of ill health and the active promotion of health through environmental, educational, and other means, the allocation of resources, and coordination between the different perspectives call for more complex systems of management.<sup>2</sup>

The availability of the methodology for use in sector analysis and its application independently by individual countries, should make it an analytical tool used to uncover management problems and provide guidance on their resolution. Improved management at the organization, structural and functional levels should prove the methodology economically feasible if it results in improved management systems. For example, at the functional level, improved management of the supply system, the personnel procedures, the communication and information network would improve effectiveness and efficiency of health services.

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1 WHO, "Modern Management Methods and Organization of Health Services," Geneva, 1974, p 12. "It is significant, therefore, that modern management techniques have all originated outside the health field, and that health services do not seem to attract the best available management talent."

2 WHO, Ibid, p 12. "The economic basis of health has changed and the health sector has now become "big system". The "big system" aspects are one reason for the trend in many countries to look to methods of management that have been developed in recent time to cope with similar complexities in other sectors."

Management assessment methodology will be expected to produce economic benefits at three levels of directness of application in the health sector: assessment per se, in the improved cost-effectiveness of AID programs, and in the improved cost-effectiveness of health service delivery systems in the LDCs.

Health sector assessments and analyses for twenty or more LDCs during the period immediately following the project and the total cost of these efforts (including host country participation) ranges from \$50,000 to several hundred thousand dollars. Consequently one would expect several millions of dollars to be spent over the five years after the completion of this project on health sector assessment. The availability of a concisely described management assessment methodology to use in these efforts should result in an improvement of this cost-effectiveness.

Clearly when assessments recommend management improvement programs for AID (as often occurs), the better the management assessment has been, the better the follow-on programming is likely to be. More important, however is the management component of other AID health sector projects. Considering that the volume of financial support for such projects will be expected to be hundreds of millions of dollars over the five years after this project is completed, rather small marginal improvement in the cost-effectiveness of AID's programming, caused by better management will justify very large expenditures on assessment methodology.

Finally, of course, AID's health program is of marginal impact on LDCs where expenditures on health services per decade are globally of the order of tens of billions. It is generally agreed that the impact of these expenditures is a relatively small portion of that possible, and it is felt that improved management is the root to improved cost-effectiveness. The

economic impact of any measure that would therefore improve the cost-effectiveness of LDC programs would be far greater than the impact on AID programs.

In this project the traditional concerns of economic feasibility and affordability of the continued implementation of the system by LDCs are of lesser importance than usual. Clearly, the assessment methodology must take the economic capacity of LDC institutions in account. However, experience with health sector assessments has indicated that management assessment methods within the means of LDCs exist and can be used effectively. In the more general sense the question is, can LDCs afford not to improve health management systems?

## II. Role of the Contractor

### A. The Contractor

This is an AID/W contract for the development of a methodology. There is no recipient in the usual definition of the term as used in country-level projects. It is planned that a contractor serves as the implementing agent for the project. The contractor will be selected on the basis of negotiated arrangements. The contractor may be a university but most likely should be a management consultant firm with the capability of drawing upon all available sources, including the university community, for the kind of expertise required to implement the project. As the project contains a research element, as well as diagnostic and application phases, it is essential that the contractor have access to the broadest range of resources upon which to draw the kind of professionals needed for the project. Close association and collaboration by the contractor with experts in the field of management and health administration must be maintained to aid in building the necessary background required for the methodology. To assure this interchange, critique seminars composed of experts in the field will be incorporated into the project at various stages: (a) at completion of the design; (b) at completion of the full field appraisal in draft; (c) before final editing and production of the methodology.

### B. Administrative Arrangements

The project will be carried out by AID/W with technical responsibility assigned to TA/DA. Since there is strong interest in the project by IA/H, it is planned to form a coordinating committee under the leadership of TA/DA

with committee representatives from TA/H, HEW-OIH, and PAHO. Representatives from geographic bureau health-related offices may also be included, if indicated. The involvement of other offices is important not only for the technical contribution representatives can make to the project but also because they will be future users of the methodology. Provision will be made for TA/DA and TA/H to coordinate all program documents, e.g., the Project Paper (PP), PIO/Ts, etc.

The methodology will be field tested and applied in a sector assessment before it is produced for general use. This will require coordination with and participation by the responsible bureau and some field Missions. TA/DA will assume responsibility for internal coordination and agreements, as necessary, to carry out field testing and application of the methodology in a sector assessment. Before entering into these phases of the project, there will need to be Mission and country approval and agreement of participation.

Staff and consultant time will be required in order to obtain expert monitoring and evaluation services during implementation phases of the project. Provision will need to be made for evaluation services under an IQC or other arrangement of approximately three person-months for the period of the project.

The contractor will be expected to provide information on contractor progress both formally and informally with interested offices such as HEW-OIH, TA/DA, TA/H. In turn, these offices will collaborate in the evaluation and utilization of the product of the management appraisal methodology when made available.

## B. Implementation Plans and Schedule

Project implementation will follow the plan and schedule described below subject, of course, to the usual modifications that will be introduced in the contractor plan. The plan and schedule may be considerably modified by the actual timing and availability of a field trial site and actual sector assessment. These latter two events are a function not of AID/W scheduling so much as Mission and host country interests and scheduling. For this reason, the following plan and schedule should be considered tentative at this time.

As stated in the technical description, the project will consist of five distinct phases: 1) The current literature and practice search; 2) Design of the methodology; 3) The field test; 4) Application of the methodology; and, 5) The review and production of the methodology. The first phase will be preceded by an intensive series of briefings for the contractor. AID/W, HEW-OIH, PAIC representatives and the TA/DA consultants will convey in depth the details of the plan and schedule for the project. In addition, the AID guidelines paper, "Guidelines for Institutional and Managerial Analysis in Sector Assessment for Country Assistance Programs," developed largely by Jack Koteen and Edward Rizzo, will be provided the contractor to serve as a point of departure and possible framework for the methodology (See Note below). After these initial sessions, the contractor will be asked to prepare a detailed workplan and schedule for use by the contractor and by AID/W as a monitoring instrument.

### Implementation Plan

#### Phase 1. Current Literature Search and Practice

The contractor will begin his review of the current literature and practice in the U.S. It is anticipated that this will begin at the time

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Note: The guidelines paper referred to above is discussed briefly in ANNEX C.

the Project Director and his assistant are selected. Short term specialists will be selected on a needs basis as the literature search indicates special areas requiring intensive investigation. The Project Director and associates will establish relationships with PAHO and other organizations and broaden its review to other countries through AID field Missions to help him identify individuals to interview and document sources not available in the U.S. An assessment of current practice should enable the contractor to uncover information not yet appearing in the literature.

The search for current literature and practice will require the Project Director to visit several countries and interview a number of people. During his travels the Project Director will be on the lookout for countries in which the methodology design can be tested and later applied in a sector analysis.

In the literature search, copies of several publications will be gathered, contents summarized, analyzed or critiqued. Gaps and omissions in the area under consideration will be identified as part of the research analysis.

The completion of Phase 1 should result in a first draft of the "State of the Art," which includes an annotated bibliography with abstracts by subject area of pertinent documents, and several countries selected identified by the contractor as possible sites for testing and application of the methodology design to be developed in Phase 2.

#### Phase 2. Design of the Methodology

Using information obtained in Phase 1, the Project Director and associate, using consultants in special areas as needed, will proceed with

developing a design of the methodology. He may utilize non-U.S. consultants to the extent that he can justify and support the need for such personnel. from countries visited in development of the design. / Particularly useful will be utilization of consultants who are citizens of the countries which might serve in the future as design testing sites.

In developing the design methodology the Project Director will include the topical coverage described in the technical description section and obtain the necessary expertise to flesh out the design. He will coordinate his activities with TA/H, HEI-OIH and others to obtain their inputs.

During this phase the Project Director will develop those kinds of instructional or orientation materials needed to use with the team selected to work with the U.S. contract team in testing the design in a field situation. Also, the countries tentatively selected to field test the methodology will be narrowed down to one. / If possible, the local team assigned to work with the contractor will be recruited. This will in all probability require an on-site visit by the Contract Project Director to work with the AID field Mission and host country Ministry (most likely the Ministry of Health) to select the work team.

Phase 2, in summary, will be made up of these activities: 1) development of the design methodology; 2) preparation of the orientation or training materials, and 3) nomination of the field test site.

### Phase 3. The Methodology Field Test

Early on in Phase 3, a work team, composed of the United States Project Director and associate, special area consultants and local team members,

will be formalized and provided a series of intensive orientation or training sessions. This part of Phase 3 could last up to three weeks and consist of: 1) a presentation of the "State of the Art" developed in Phase 1; 2) presentation of the Design Methodology prepared in Phase 2; 3) adjustment of the procedures to fit the particular country situation; and 4) development of the work plan for the field test.

During or at the completion of the orientation effort obvious modification of the design to fit the country situation may be found necessary. Adjustments / <sup>that</sup> adapt the design to the country activities will be made at this juncture.

Upon completion of the above, the work team will proceed with field testing the design methodology with consideration given to modification of the design as experience dictates. A record or history of design modification will be kept to determine the fit between the design in abstract and design in application. In addition, records will be kept on the manpower used, data inputs and time utilized.

The third phase, in summary, will consist of: 1) intensive orientation of the Design Methodology work team; 2) modification, if necessary, of the design; 3) the field test; and 4) documentation of the field test.

#### Phase 4. Health Management Appraisal in a Sector Analysis

The contractor will apply the methodology as a part of a health sector assessment. Two courses of action are open to the contractor in the conduct of this phase. In the event that the country in which the health

approach is to be applied is the same as the country where the methodology was tested, the contractor may proceed to Phase 4 using essentially the same work team used in the field test.

On the other hand, if the two countries differ, the contractor will need to prepare local personnel in the new country as members of the health management appraisal work team. This will entail an added training responsibility for the contractor which must be provided for the work plan and schedule.

As the appraisal application, expected to take up to five months, nears completion, TA/DA, with cooperation of the Technical Coordinating Committee, described heretofore, will form a panel composed of U.S. and other country experts to review and evaluate the appraisal methodology when completed.

Before the review is undertaken the contractor will assure himself that the presentation to the Panel contains not only details on the methodology design and its application but also 1) a general statement on how to conduct an appraisal of management in the health sector following the topical coverage described in the technical description section of the project; 2) a statement on requirements considered necessary to apply the method, including number and kinds of manpower, cost, data inputs and time; 3) the literature and current practices research; and, a list of resources for future utilization. All these were described as outputs of the project.

The Contractor will be responsible for incorporating modifications to the methodology recommended by the Technical Coordinating Committee review panel and take the necessary step to carry out Phase 5 below.

#### Phase 5. Production of the Methodology

After final review by the Panel described above, the results and methodology will be edited and published for dissemination to selected users.

## C. Monitoring and Evaluation Plan

### 1. Monitoring Plan

Technical monitoring of the project is the responsibility of TA/DA. To assist TA/DA carry out this responsibility a technical coordinating committee will be formed with invited representatives from TA/H, DIIEW-OIH and a geographical bureau, the latter depending on the country where the methodology design is to be tested and applied.

The technical committee will have several functions to perform, among them:

- a. To contribute to the design of the project, drawing upon individual resources each member has.
- b. To appraise the principal output of the project.
- c. To recommend to and assist TA/DA in securing expert services, as required, to monitor and evaluate the project. It is estimated that three months of such services will be required during the project to review progress reports and advise the TA/DA coordinating committee on problems and review project progress.
- d. To review contractor's work plan and progress reports. The contractor will be required to submit a work plan and quarterly progress reports. The quarterly report will contain information on progress and problems encountered in implementing the project. The work plan will be used as a detailed management tool by including the critical events and schedules on the basis of which the program reporting and monitoring will take place.
- e. To review, with the help of specialists, as needed, specific outputs which have been designed into the project at each phase. The

output statements at each phase will provide the basis for in-depth technical monitoring of progress. On the basis of these reviews, TA/DA and the Coordinating Committee can decide on the appropriate corrective measures to take to fulfill project objectives.

Although not serving a monitoring function per se, the expert panels convened periodically during the project should provide an opportunity for technical review and independent judgment which should help keep the project on track and to meet its objectives.

## 2. Evaluation Plan

The contractor will be required to develop base line data as part of the development of the "state-of-the-art" phase. The incorporation of information found in this first phase into the Methodology Design will be informally evaluated by the Technical Coordinating Committee before the contractor proceeds to the third phase, which is the methodology field test. This evaluation is scheduled to occur approximately five months after submission of the workplan and completion of the literature search.

The second evaluation, carried out by the Coordinating Committee with the assistance of outside consultants, will occur after the methodology field test and before application of the methodology, and the third evaluation after the field application and before the methodology is readied for publication. The second evaluation will occur about six months after the first evaluation and the third evaluation about five months after the second evaluation.

End of project evaluation will be timed at the point where the methodology has been completed and reviewed by a panel of experts and the typed manuscript submitted to TA/DA. This manuscript will then be turned over to the evaluation committee who will carry out the EOP evaluation.

In the event that the methodology and its contents do not meet contract objectives, e.g., the annotated bibliography is weak or for other reasons, evaluation committee will return the methodology, through TA/DA, and the contractor and provide recommendations to the contractor as to appropriate modifications needed to get acceptance of the methodology.

TA/DA will have the responsibility for appointing the evaluation committee but will rely on recommendations of the coordinating committee. An ideal mix of evaluation team members would be one member each from the coordinating committee and the review panel, plus two outside consultants. The TA/DA coordinator would also serve as a member. One of the consultants should be from the country where the methodology design was field tested or applied in a sector analysis.

The evaluation team will, in its deliberations, need to consider the base line data provided by the contractor, the several quarterly progress reports, the deliberations and recommendations of the review panels carried out during the several phases of the project and, of greatest importance, the methodology document itself. Outputs set up at the beginning of the project and their achievement will also need to be evaluated with consideration given to earlier corrective actions recommended by the review panels and the coordinating committee.

Cost and staffing required to conduct the evaluations are reflected in the project budget. Costs of project monitoring and the coordinating committee are internal costs borne by the Agency but the two outside consultants will be furnished under the project as well as costs incurred by the contractor in action taken to revise the methodology based on recommendations of the evaluation committee.

### 3. Contractor Manpower

The optimum mix of skills needed to carry out the project can best be determined at the time the work plan is being developed and after the Project Director has visited prospective participating countries.

TA/DA will be available to the contractor to consult on the optimum mix of skills considered essential by the team to be assembled by the contractor.

The first manpower requisite is a full-time Project Director for the life of the contract, expected to be twenty-four months. The Project Director should have a broad background in management and health administration.

The second member of the staff is the Research Associate whose more specific tasks will be to coordinate the research effort of the several short-term specialists obtained at intervals during the life of the project. His services will be required approximately twelve months. To support the Project Director and Associate, an Administrative Assistant/Secretary and Research Assistant will be required for a period of twelve months each.

Major manpower requirements will be for short-term specialists, most of whom should be identified and subcontracted by the time the work plan is approved.

Short-term specialists needed will include (but not be limited to) specialists in (See footnote below):

- a. Public Health Administration
- b. Organizational Dynamics
- c. Institutional Development
- d. Executive Development

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Because HEW-OHI is undertaking studies in related areas, there has been careful coordination to avoid duplication of effort. Hence, many related topics such as hospital administration, drug supply, equipment and facilities management, have been omitted from this project.

- e. Organization and Methods
- f. Planning, Budgeting, Evaluation
- g. Management Information Systems
- h. Personnel Administration
- i. Financial Management
- j. Supply Management
- k. Administrative Services

All told, short-term specialist services are estimated at approximately  $\frac{17}{1}$  person-months in total. Out of country travel will be necessary especially to the country where the design is to be field tested. Some of the consultants may be non-U.S. in origin and may be required to travel to the U.S.

In selecting the specialists for the project, the contractor will have available advice and suggestions of the Project Coordinating Committee as well as TA/DA and TA/H.

Present TA/DA staffing is adequate for monitoring the several phases of the contract; however, time allotted to TA/DA monitoring must not be infringed upon if successful project management is to occur. It is estimated that three man-months of direct-hire service per year over a period of 2 $\frac{1}{2}$  years will be required to adequately monitor this project.



CRITICAL PERFORMANCE INDICATORS

Indicator Number	Date	Indicator
1	9/15/77	Contractor selected and briefed in AID prior to trips to the field
2	2/15/78	Workplan developed on the basis of field trips and in consultation with Technical Coordinating Committee. Test site identified and selected
3	7/15/78	Methodology Design completed, reviewed and approved by Technical Coordinating Committee
4	1/15/78	Methodology Design field tested, critiqued by Review Panel and Technical Coordinating Committee
5	6/15/78	Methodology applied in a sector analysis, evaluated by Technical Coordinating Committee, reviewed and prepared for publication
6	8/15/78	Methodology published and distributed

TABLE 111  
PROJECT COST ANALYSIS  
FY 77

Item	Cost Factor			Salaries/ Fees	Diem	Travel (\$000)	Other Costs
	Time	Unit	Cost(\$)				
<u>PHASE 1 - and Orientation Contractor</u>							
Project Director - Salary	5 mn	1	3,333	16.7			
Research Associate - Salary	3 mn	1	2,500	7.5			
Research Assistant - Salary	3 mn	1	1,250	3.8			
Admin. Ass't-Sec - Salary	3 mn	1	1,250	3.8			
Per Diem, Director, Orientation, AID/W (12 days)	12dy	1	45		.5		
Per Diem, Director, Country Visitations (21 days)	21dy	1	45		1.0		
Per Diem, Director, Meetings, Coordinating Committee (5 days)	5dy	1	45		.2		
Travel, Director, Out of Country		2	1,400			2.8	
Consultant Fees, Research Consultant (40 days)	5dy	8	150	6.0			
Per Diem, Contract Hdqtrs by Consultants (20 days)	5dy	4	45		9		
Travel - Consultants, In Country (4)		4	150			.6	
Other Costs, Purchase Tech. Publications							1.0
Total FY 77 (Phase 1) (44.8)	16.0 mn			37.8	2.6	3.4	1.0

TABLE III (Continued)

PROJECT COST ANALYSIS  
FY 78

Item	Cost Factor		Salaries/ Fees	Per Diem	Travel (\$000)	Other Costs
	Time	Unit Cost (\$)				
<u>PHASE 2 - Methodology Design</u>						
Salary - Project Director	5mm	1	3,333	16.7		
Salary - Research Associate	3mm	1	2,500	7.5		
Salary - Research Assistant	3mm	1	1,250	3.8		
Salary - Admin. Ass't.	3mm	1	1,250	3.8		
Per Diem, Contract Director & Consultants, AID/W (25 days)	5dy	5	45		1.1	
Travel, Director, Select Site		4	1,200		6.0	
Per Diem, Director (10 days)	10dy	1	45		.5	
Fees, Consultants (160 days)						
Other Costs						2.5
Total Phase 2 (65.9)	21.5mm			55.8	1.6	6.0
<u>PHASE 3 - Methodology Field Testing</u>						
Salary - Project Director	6mm	1	3,333	20.0		
Salary - Research Associate	3mm	1	2,500	7.5		
Salary - Research Assistant	3mm	1	1,250	3.8		
Salary - Admin. Ass't.	3mm	1	1,500	3.8		
Per Diem, Project Director on Site (40 days)	40dy	1	45		1.8	
Travel, Proj. Director (2)		2	1,200			
Fees, Consultants (60 days)						
Senior Consultants (30 days)	15dy	2	150	4.5		
Research Assistants (30 days)	15dy	2	75	2.3		

TABLE III (Continued)

PROJECT COST ANALYSIS  
FY 78

Item	Cost Factor			Salaries/ Fees	Diem	Travel (\$000)	Other Costs
	Time	Unit	Cost (\$)				
<u>PHASE 3 - Methodology Field Testing</u>							
Director, Design Review, AID/W (4 days)	4dy	1	45		.2		
Travel, Director, AID/W		2	150			.3	
Other Costs							1.5
Total Phase 3 (48.1)	18.0mm		(48.1)	41.9	2.0	2.7	1.5
Total FY 78 (114.0)	37.5mm			41.9	3.6	8.7	
<u>PHASE 4 - Methodology Application</u>							
		FY 79					
Salary - Project Director	7mm <sup>a/</sup>	1	3,333	23.0			
Salary - Research Associate	3mm	1	2,500	7.5			
Salary - Research Assistant	3mm	1	1,250	3.8			
Salary - Admin. Assistant	3mm	1	1,250	3.8			
Per Diem, Director on Site (90 days)	90dy	1	45		4.1		
Fees, Specialists (120 days)							
Senior Consultants (60 days)	30dy	2	150	9.0			
b/Research Assistants (60 days)	30dy	2	75	4.5			
Travel - Director on Site		2	1,200			2.4	
Other Costs							1.0
Director to AID/W (10 days)	10dy	1	45			.5	
Total Phase 4 (59.6)	21.5mm			51.6	4.1	2.9	1.0

a/ Covers Phase 5 period

b/ Utilization HEW/OIM Staff in  
field application where possible.

TABLE III (Continued)

PROJECT COST ANALYSIS  
FY 79

Item	Cost Factor			Salaries/ Fees	Diem	Travel (\$000)	Other Costs
	Time	Unit	Cost (\$)				
<u>PHASE 5 - Methodology Publication</u>							
Editing							1.0
Publication Costs 500x10							5.0
Distribution							.2
Total Phase 5 (v.2)							6.2
Total FY 79 (65.8)	21.5mm			51.6	4.1	2.9	7.2

TABLE III (Continued)

PROJECT COST ANALYSIS  
FY 78

Item	Cost Factor			Salaries/ Fees	Diem	Travel (\$000)	Other Costs
	Time	Unit	Cost (\$)				
<u>Project Costs - Review and Evaluation</u>							
Consultant's Fee - Design Panel Review	3dy	2	150	9			
Travel - Consultants		2	150			.3	
Per Diem	4dy	2	45		4		
Consultants' Fees - Field Test Review	4dy	2	150	1.2			
Travel Consultants		2	150			.3	
Per Diem, Consultants	4dy	2	45		.7		
Total				2.1	1.1	.6	
<u>Consultants for Monitoring and Evaluation</u>							
Consultants' Fees - Methodology Application	2mm	1	3,300	6.6			
Travel - Per Team		2	150			.3	
Evaluation Team - Per Diem Out-of-Country	10dy	2	45	9			
Travel, Evaluation Team - Foreign		2	1,200			2.4	
Travel, Evaluation Team, AID/W		2	150			.3	
Per Diem, Evaluation Team AID/W	10dy	1	45		.5		
Travel, Director		2	200			.4	
Total FY 78				8.7	.5	3.4	0.0
Review and Evaluation Costs (12.6)				10.8	1.6	4.0	
Contract Costs (224.6)				187.1	10.3	15.0	17.2
Proj. Costs (less inflation, overhead, fringe benefits) (249.8)				194.1	11.9	19.0	24.8

The paper, "Guidelines for Institutional and Managerial Analysis in Sector Assessment for Country Assistance Programs," authorized by Jack Koteen and Edward Rizzo, was prepared "to help Agency personnel determine the scope and content of managerial and institutional analysis in sector assessment for country assistance programs." The issuance did not, however, develop the methodology for the conduct of the analysis which will be the output of this project for the health sector.

Elements of analysis identified in the Koteen-Rizzo issuance paper will be utilized in addition to other elements which may be identified by the contractor. These elements, briefly are:

1. Sector governing. This refers to the organization, mechanisms and other means for guiding a sector.
2. Performance analysis. Organizations are created to provide some good or service for its clientele. An organization's performance can be assessed in terms of the adequacy of its output (effectiveness) and the cost for producing the output (efficiency), as well as the amount of time taken for performance.
3. Leadership and organizational behavior leadership deals with how leaders perform in a variety of situations while organizational behavior treats the way organizational participants behave and how this behavior contributes to or undermines organizational performance and efficiency.
4. Organizational external relations and structure - organizational relations. Relations indicate the nature and extent of a sector institution's linkages and connections with its environment.

Relationships typically include:

- a. Those with organizations and individuals who control the allocation of authority and resources to operate.
- b. Those with organizations which provide needed inputs or outputs; and

c. Those organizations which share interests in or conflict with the social and economic purposes of the organization.

5. Organizations structure. Structure deals with the distribution of authority, responsibility and accountability through which the organization performs its tasks. This includes the "structure" of the planning and control management processes, the production functions, the resource administration processes of the organization, as well as delegation, decentralization and regionalization.

6. Program management systems. Organizations should have some way by which to plan, program, budget, get feedback information and evaluate it in order to take corrective action. This set of systems can be called "management systems", i.e. the way in which the "Management" plans and controls.

7. Resource administration. Organizations are greatly affected by the way in which they manage their resources. Questions of effectiveness, efficiency and capacity to meet sector goals inevitably entail a review of resource administration.

8. Service delivery capability of operating level units - Local technical assistance capacity in sector management. Local technical assistance capacity concerns the availability and adequacy of institutionalized capability at national or regional multi-country levels to provide technical assistance in sector management to country sector institutions.

For treatment of each one of the elements above, the reader is referred to the original Kotzen-Rizzo paper which contains an annex describing each element in detail.

*Id 581 Proj. 9311016 Pnl*

AGENCY FOR INTERNATIONAL DEVELOPMENT  
PROJECT AUTHORIZATION AND REQUEST  
FOR ALLOTMENT OF FUNDS PART I

1. TRANSACTION CODE

A ADD  
 C CHANGE  
 D DELET

3. COUNTRY/ENTITY  
TA/DA RDA 12 (b)

4. DOCUMENT REVISION

5. PROJECT NUMBER (7 digits)  
 931-1016

6. BUREAU/OFFICE  
A. SYMBOL B. CODE  
TAB  08

7. PROJECT TITLE (Maximum 40 characters)  
 Appraisal Health Management Systems

8. PROJECT APPROVAL DECISION  
ACTION TAKEN  
 A APPROVED  
 D DISAPPROVED  
 DE DEAUTHORIZED

9. EST. PERIOD OF IMPLEMENTATION  
YRS.  0  2   
QTRS.    1

10. APPROVED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. Thru 9/30/76				H. 1st FY 77		K. 3RD FY	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN		
(1) PH	589	530				500					
(2)											
(3)											
(4)											
TOTALS											

A. APPROPRIATION	N. 4TH FY		Q. 5TH FY		LIFE OF PROJECT		11. PROJECT FUNDING AUTHORIZED (ENTER APPROPRIATE CODE(S)) 1 = LIFE OF PROJECT 2 = INCREMENTAL LIFE OF PROJECT	A. GRANT	B. LOAN
	O. GRANT	P. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN			
(1)					500			1	
(2)									
(3)									
(4)									
TOTALS								C. PROJECT FUNDING AUTHORIZED THRU FY <input type="checkbox"/> 7 <input checked="" type="checkbox"/> 9 <input type="checkbox"/>	

12. INITIAL PROJECT FUNDING ALLOTMENT REQUESTED (\$000)

A. APPROPRIATION	B. ALLOTMENT REQUEST NO.	
	C. GRANT	D. LOAN
(1)		
(2)		
(3)		
(4)		
TOTALS		

13. FUNDS RESERVED FOR ALLOTMENT

TYPED NAME (Chief, SER/FM/FSD)

SIGNATURE

DATE

14. SOURCE/ORIGIN OF GOODS AND SERVICES

000  941  LOCAL  OTHER

15. FOR AMENDMENTS, NATURE OF CHANGE PROPOSED

FOR PPC/PIAS USE ONLY	16. AUTHORIZING OFFICE SYMBOL	17. ACTION DATE			18. ACTION REFERENCE (Optional)	ACTION REFERENCE DATE		
		MM	DD	YY		MM	DD	YY

PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS

PART II

ENTITY : TA Bureau  
PROJECT : Appraisal Health Management Systems  
PROJECT NUMBER : 931 - 1016

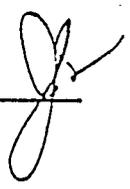
AID grant funding in the amount of \$484,000 will be provided to the Association of Universities of Public Health Administration over a two and one-quarter years period (27 months). In addition, \$16,000 will be reserved for project review and evaluations during the life of the project.

The AUPHA will produce a new methodology for more completely and accurately appraising the management of health sector institutions. The methodology will be designed and tested in one or more developing country situations and produced in English, Spanish and French.

The project was reviewed on July 13, 1977 by the P&DC and approved with minor revisions and additions which are reflected in the PIO/T now being processed. The request for non-competitive procurement was approved by you on July 19, 1977.

*MD Balke for C Farran*  
Curtis Farran  
Assistant Administrator  
for Technical Assistance

Clearance:  
TA/PPU:JNGunning



Date: *Sept 1, 1977*

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