PD-AAS-280 41912

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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

AGENCY FOR INTERNATIONAL DEVELOPMENT

WASHINGTON, D.C. 20523

BURMA

PRIMARY HEALTH CARE II

PROJECT NO. 482-0004

PROJECT PAPER AMENDMENT

May 1985 BURMA

UNCLASSIFIED

PD-AAS-080
41912

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE: C (A = Add, C = Change, D = Delete)
Amendment Number: 3
DOCUMENT CODE: 3

COUNTRY/ENTITY: BURMA

3. PROJECT NUMBER: 482-0004

4. BUREAU/OFFICE: Asia and the Near East 04

5. PROJECT TITLE (maximum 40 characters): Primary Health Care II

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM 06 DD 30 YY 89

7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4)
A. Initial FY 83 B. Quarter 3 C. Final FY 88

8. COSTS ($000 OR EQUIVALENT $1 =)

A. FUNDING SOURCE	FIRST FY B. FX	C. L/C	D. Total	LIFE OF PROJECT E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	(5100)	( )	(5100)	(9329)	( )	(9320)
(Loan)	( )	( )	( )	( )	( )	( )
Other U.S. 1. Project Fund Account		1867	1867		4533	4533
Other U.S. 2. (AID)						
Host Country		2976	2976		18120	18120
Other Donor(s)	4795	681	5476	24006	2043	26049
TOTALS	9895	5524	15419	33326	24696	58022

9. SCHEDULE OF AID FUNDING ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE 1. Grant	2. Loan	D. OBLIGATIONS TO DATE 1. Grant	2. Loan	E. AMOUNT APPROVED THIS ACTION 1. Grant	2. Loan	F. LIFE OF PROJECT 1. Grant	2. Loan
(1) HE	533-B	510		7140		2180		9320	
(2)									
(3)									
(4)									
TOTALS				7140		2180		9320	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each): 530 | 350 | 440

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)
A. Code: NUTR | TNG
B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To expand rural health services coverage in Burma by Volunteer Health Workers, with increased emphasis on quality of services through improved pre-service and in-service training in 147 rural townships.

14. SCHEDULED EVALUATIONS
Interim MM 10 YY 87 | MM YY
Final MM 01 YY 89

15. SOURCE/ORIGIN OF GOODS AND SERVICES
☐ 000 ☐ 941 ☐ Local ☒ Other (Specify) 935

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a ____ page PP Amendment.)

Amendment will strengthen acitvities already underway, support increased levels of outputs, $2.18 million to AID-financed funding and extend PACD by two years until 6/30/89.

17. APPROVED BY
Signature: Thomas J. Ward
Title: AID Representative
Date Signed: MM 05 DD 22 YY 85

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
MM DD YY

ABBREVIATIONS

Abbreviations which appear and are not defined within the text are:

AID	Agency for International Development
AID/BURMA	Agency for International Development, Rangoon, Burma
AID/Washington	Agency for International Development, Washington, D.C.
ANE/DP	Office of Development Planning, Bureau for Asia and the Near East
ANE/PD	Office of Project Development, Bureau for Asia and the Near East
FM/PAFD	Office of Financial Management, Program Accounting and Finance Division
IQC	Indefinite Quantity Contract
PIO/C	Project Implementation Order, Commodities
PSC	Personal Services Contract
SER/COM	Office of Commodity Management, Washington
SER/COM/CPS	Division of Commodity Procurement Support, within the Office of SER/COM
SRUB	Socialist Republic of the Union of Burma
TA	Technical Assistance
UNICEF/COPENHAGEN	United Nations International Children's Emergency Fund, Copenhagen
UNICEF/NEW YORK	United Nations International Children's Emergency Fund, New York
UNIPAC/COPENHAGEN	Procurement office for UNICEF/Copenhagen
U.S.	United States of America
YR.	Calendar year

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PROJECT AUTHORIZATION

AMENDMENT

Primary Health Care II
Project No. 482-0004

1. Pursant to Section 104(c) of the Foreign Assistance Act of 1961, as amended, the Primary Health Care II project for Burma was authorized on May 26, 1983 and amended on June 28, 1983. That amended authorization is hereby further amended to increase the amount of planned obligations for the project from Seven Million, One Hundred Forty Thousand U.S. Dollars ($7,140,000) to Nine Million, Four Hundred Seventy Thousand U.S. Dollars ($9,470,000) to provide for additional training and commodities as described in the project paper amendment. The life of the Project is extended until June 30, 1989.

2. The amended authorization cited above remains in force except as hereby amended.

Clearances:

	Date	Initial
John J. Naponick, Health Officer	22 MAY 85	JJN
Richard Nelson, Program Officer	5/22/85	RBN
Gary M. Imhoff, Project Development Officer	5-22-85	GMI
Steve Allen, Regional Legal Advisor	22-5-85	SA

Signature

Charles D. Ward
AID Representative, Burma

May 23, 1985
Date

III. PROJECT AMENDMENT RATIONALE AND DESCRIPTION

A. Project Amendment Rationale

Background. AID/Burma has been supporting the Burmese People's Health Plan since 1980 through the Primary Health Care I (PHC) and PHC II projects. Under these projects, AID/Burma has focussed its limited resources on the training and deployment of Voluntary Health Workers (VHW's). The VHW's are trained to diagnose and treat simple ailments, and to make referrals for more serious problems. They are also trained in preventive health and serve as the point of contact in the community for important desease control programs such as malaria, leprosy and the expanded program on immunizations.

The recently completed evaluation of PHC I 1/ found that there has been remarkable success with the Department of Health (DOH) meeting or exceeding targets for pre-service and in-service training of VHW's. There is also active community involvement in the selection, supervision and material support for the work of the VHW's.

On the basis of the success achieved to date, the DOH plans to train, equip and deploy additional VHW's. Full coverage in 147 townships (out of a total of 314) with VHW's involves the placement of one Community Health Worker (CHW) in each village and one Auxiliary Midwife (AMW) per village tract by the end of the 1985/1986 planning cycle.

The project amendment is designed to provide funding in support of the training and deployment of additional VHW's and for the procurement of the most basic equipment needed by the rural health centers and subcenters including an additional 150,000 units of Ringers Lactate, a life saving rehydration solution. Funds will also be earmarked for an examination of the requirements to upgrade and expand the current Ministry of Health's (MOH) health information system. Depending on the outcome of this examination, funds will be available to provide for some of the equipment identified to upgrade this information system.

Finally, as identified in the recently completed review of AID's health sector strategy in Burma 2/, a major area of concern is the alarming incidence of malaria in Burma. The Burmese Government's malaria program is faced with drug resistance problems, growing insecticide resistance and most importantly, shortages of trained personnel. This project amendment will include interventions to assist in the training and support of the malaria program staff.

1/ See O'Brien, Mays and Reynolds, "End of Project Evaluation, Primary Health Care I", February, 1985

2/ See Oot, Baker, Fairbank, Naponick and Nelson, "A Review of AID's Health Sector Strategy in Burma" (pg. 14), March, 1985

U.S. Interests and Objectives. The United States is interested in the stability and progress of Burma as an independent nation of Southeast Asia. U.S. development interests in Burma stem from recognition of Burma's long-term potential for economic growth (due, in part, to its natural resources and agricultural potential), for satisfying the basic needs of its people and for possible contributions to world food supplies.

AID Development Assistance Strategy. AID strategy in Burma is to concentrate in a selected number of Burmese development efforts which show significant potential for contributing to Burma's economic growth. The goal of the AID program in the health sector is to assist Burma within the framework of the People's Health Plan (PHP) in the reduction of mortality, morbidity and undernutrition, particularly among infants, children under five years of age, and women of reproductive age.

AID also supports the development of Burma's human resources through training programs in the United States and third countries.

The project paper amendment addresses three of the four cornerstones of AID's development assistance policy. Through the training of VHW's, malaria program staff and support for the MOH's health information system, institutional development, will be continued in the project. Technology transfer, in the form of equipment sets and the procurement of additional quantities of rehydration solution, will also be present. Policy dialogue, represented by a continuing discussion to improve environmental health and strengthen community involvement in identifing health problems and needs will be an integral component of this amendment.

Issues Addressed in Project Amendment Design. The following issues were identified during the design of the project paper amendment.

(a) Resource Transfer: The recent Burma health sector strategy 3/ noted the critical role for providing technical support and training to the mid-level workers in the voluntary health system scheme. Project amendment funds are not identified to address this deficiency.

(b) Recurrent Costs: AID should not have to fund recurrent cost items, i.e., oral rehydration solution and standard equipment health kits, for which the SRUB should have planned and budgeted.

--AID/Burma recognizes that in the long-term, training of mid-level management workers would be a cost effective way to upgrade, strengthen and institutionalize the quality aspects required in health delivery systems in Burma. However, the purpose of the project amendment is to provide greater amounts of standard equipment kits to the rural health centers and subcenters and support the training elements introduced in PHC II so that the immediate effects of the VHW's can be felt over a

3/ (A Review of AID'S Health Sector Strategy in Burma, pg. 9)

larger target area. Training of mid-level workers is a desirable effort which must be looked upon as a long-term objective that will be addressed in future interventions planned in support of the primary health care system.

--Most of the VHW and rural health center equipment requested under this project amendment are imported items and cannot be manufactured (or in the case of pharmaceuticals, packaged) locally. Requiring the SRUB to plan and budget for the eventual replacement of this equipment makes managerial and administrative sense. Although the MOH budget includes line items for replenishment of these imported commodities, from a practical matter, Burma is critically short of foreign exchange (current foreign reserves are estimated to equal three weeks of imports 4/) and it would be incorrect to suggest that the balance of payments situation experienced by Burma presently would be radically altered in the near or short-term future so that schedules and budgets for replenishment of drugs and equipment could be designed and implemented with any degree of certainty. The basic components of pharmaceuticals required for drug resupply are not available in Burma. Required packaging to protect drug potency during transportation and distribution and to extend shelf-life would also require the importation of basic comoodities, ie. plastics, for which foreign exchange is not available. For the short-term, it would appear that Burma will have to rely on imported pharmaceuticals and health kits to support the primary health care system and VHW's, with the availability of foreign exchange to finance these imports severely constrained.

--However, alternatives to reliance on imported health kits and pharmaceuticals may exist. The Japanese are helping the Burmese Government to develop a herbal medicine research unit in Burma and other donors are actively investigating the possibility of assisting the Burma Pharmaceutical Industries (BPI) in upgrading the management, expanding production, and improving the packaging and quality of pharmaceuticals available in Burma. However, these measures offer only the possibility of a long-term solution to a pressing need.

--The Burmese have indicated their strong support for the primary health care system by providing direct funding and "in-kind" contributions for nearly all of the in-country costs and require only financing of services and commodities for which foreign exchange is desperately needed. As was indicated in the PHC I evaluation 5/, "basic commodities are greatly needed and appreciated. AID should continue to supply basic medicines, audio-visual aids, health education materials and such essential materials as paper and pens."

4/ See "International Financial Statistics", International Monetary Fund, April, 1985 (Burma)

5/ (End of Project Evaluation, Primary Health Care, pg. 85)

B. Project Amendment Description

Planned interventions envisioned by this amendment include short-term technical assistance, long- and short-term training and commodities in support of the primary health care system and malaria control program in Burma.

Project Amendment Goal/Purpose. The project paper amendment will not change the nature of the original project goal and purpose but is designed to strengthen activities already underway, support increased levels of project outputs (including the training of malaria program staff) and add critically needed commodities to the Burmese primary health care program.

Participating Entities. It is envisioned that the DOH will continue to be the implementing agency for the primary health care II project amendment. As health delivery systems are provided through a pyramidal organizational scheme in Burma, other participating entities will include the Basic Health Services and the Community Health System. Community participation in primary health care has had a significant impact on the project's objectives to date and community involvement during the implementation period covered by this amendment is expected to continue.

In addition, the Vector Borne Diseases Control Office of the DOH will serve as the administrative support for the interventions planned for the malaria control staff under this project amendment.

Amended Project Outputs and End of Project Status. The project amendment is expected to change the project outputs as follows:

(a) Additional 4,000 VHW's trained, equipped and deployed to provide full coverage to 147 townships;

(b) MOH health information system reviewed and possibly upgraded and expanded to enable an improved system to be developed to monitor project process and plan future programs effectively;

(c) Equipment provided to 560 rural health centers and 14 subcenters in the project area;

(d) Six person years of long-term training for the malaria program staff leading to 2 MSc. and 2 MPH degrees;

(e) Fifty-nine person months of short-term training (workshops and seminars within Burma) for the malaria program staff;

(f) Four person months of short-term training (observational tours in India and Thailand) for the malaria program staff and;

(g) Reference Library upgraded and the addition of periodicals provided for the Vector Borne Diseases Control Office.

Project Amendment Inputs. AID inputs will consist of $2.18 million in grant funds which will be expended for technical assistance, training and commodities as follows:

(a) Technical Assistance. Short-term TA will be provided to carry out an examination of the requirements to upgrade the MOH's health information system.

(b) Training. Short-term training will be provided to the VHW's in understanding the basic objectives of the PHC program (pre-service training). Workshops and short-term training in operations, applied field research and parasitology will be provided to the malaria program staff. Long-term training for malaria program staff would include formal training of entomologists and epidemiologists.

(c) Commodities. Commodities will take the form of VHW's required kits as well as standard equipment for rural health centers and subcenters. A complete listing of components for these kits and standard equipment for rural health centers can be found in Annex J of the project paper. In addition, reference books, periodicals and teaching materials will be provided to the malaria program staff. Data processing equipment to upgrade the capability of the current MOH health information system will also be included as an element of commodities to be included in this amendment. However, a complete review of the current and future requirements of the MOH in data processing will be conducted prior to the development of a definitive listing of needed equipment.

C. Project Beneficiaries

The intended beneficiaries will be almost identical to the beneficiaries identified in the original project with the addition of the malaria program staff, whose skills and knowledge will be improved through short- and long-term training and necessary commodities provided under this amendment.

D. Donor Coordination

It is envisioned that assistance to the primary health care program will continue from the Australian Development Assistance Bureau (ADAB), the United Nations International Children's Emergency Fund (UNICEF) and the World Health Organization (WHO). Regularly scheduled meetings to review the current status of implementation will be continued. In addition, procurement of kits from UNICEF would dictate that close coordination continue between AID and UNICEF.

IV. COST ESTIMATE AND FINANCIAL PLAN

A. Amended Project Costs

The total amended project cost is estimated to be the equivalent of $58,022,300. This amount includes dollar grant funds of $9,320,000 and kyat funding from the Project Fund Account of $4,533,000 (eqivalent) provided by A.I.D. Note: An amount of $430,000 of deobligated funds from the Primary Health Care I Project (482-0002) has been identified for possible reobligation into Primary Health Care II. Although the authorization includes these additional funds in the total funding available, estimates of costs and AID financial contributions throughout this amendment are based on an available deobligated level of $280,000. The Burmese Government's Department of Health's regular budget contribution, the contributions of the rural communities to be assisted by the project as well as the inputs of UNICEF, WHO, and the Austrialian Development AID Bureau (ADAB) will constitute the remaining project funds.

A summary of the cost estimates and financial plan (Table 1) are provided below for the additional funds expected as a result of A.I.D. and host country funding under this amendment:

TABLE 1
Summary of Cost Estimates and Financial Plan
(US $000's)

Source	AID		Host Country (incl. Community)		Total
	FX	LC	FX	LC	
Technical Assistance	30	--	--	5	35
Teaching Materials	6	--	--	--	6
Training	244	--	--	1404	1648
Deployment of VHW's	340	--	--	84	424
Commodities	1320	--	--	2200	3520
Operations & Maintenance	--	--	--	1237	1237
Evaluation	35	--	--	15	50
Contengenies & Inflation	205	--	--	--	205
Totals	2180	--	--	4945	7125

The host country contributions were estimated from projected DOH budgets, known support costs and community contributions calculated at $4,400,000 (equivalent) over the 2-year amendment period.

The timing of the Burmese Government expenditures will occur over the duration of the project and it is not anticipated that the increased expenditures as a result of this amendment will strain the Ministry of Health's or the local communitities' budgets.

B. Recurrent Costs

The project is part of a major program of the Burmese Government to expand rural health care services.

The institutional development program incorporates only existing institutional structures which are already funded through the Burmese Government budgetary process. Maintenance and continued upgrading of the data processing center may require certain foreign exchange (estimated at $20,000 yearly or 10% of the estimated value of the equipment required). As explained earlier, given the precarious balance of payments difficulties Burma finds itself at present, equipment identified for the deployment of VHW's and in support of the rural health centers, (including Ringer Lactate) are foreign exchange costs which the Burmese Government will not, in all probability, be able to sustain at the conclusion of the project. These costs are estimated to be approximately $ 3-4 million/yr. to maintain the present coverage and support of primary health care services available to the target group. These costs will probably be financed from donor contributions beyond the completion date of this project.

V. IMPLEMENTATION AND MONITORING PLAN

A. Implementation Schedule

The project amendment will alter the project implementation plan by providing funding of additional training, commodities and limited technical assistance as well as extend the project activity completion date by two years, until June 30, 1989.

The services of a health information specialist will be provided to conduct a through review of the current MOH health information system and the proposed plans for expansion of the system. These services could be provided through the execution of a work order under an IQC contracting mode or perhaps a "buy in" with the Bureau of Science and Technology's (S&T's) Health Development Planning and Management Project (936-5901). Procurement of any equipment identified to upgrade the information system would be initiated only after review of the proposed system by the Office of Information Resources Management, AID/Washington.

Training and deployment of additional VHW's under the project will commence as soon as the amended project agreement has been executed and the health kits ordered from UNICEF/Copenhagen. Malaria program staff candidates for long-term training will be identified and specific programs of instruction will be chosen in consultation with the AID/Burma project manager.

Short-term training, including the content and scheduling of proposed workshops for the malaria program staff will be initiated after discussions involving coordination of such activities with the the Vector Borne Diseases Control Office and WHO.

Source/origin, sole source and transportation waivers will be sought in the procurement of commodities supplied from UNICEF. Further, any pharmaceutical procurements must be approved by the Office of Commodity Management (SER/COM).

B. Project Management and Monitoring

The Department of Health will continue to carry out the primary responsibility for overall management and implementation of the project. AID/Burma will administer the direct contracts envisioned for the supply of commodities and services. The AID/Burma Health Officer will be Dr. John Naponick who will be assisted by a foreign national contract hire Commodity Management specialist. In addition, they will be supported by the AID/Burma Project Development Officer as well as the Regional Commodity Management Officer (RCMO), Area Contracting Officer (ACO) and the Controller, all located at Bangkok, Thailand. Further, the Regional Legal Advisor (RLA), located at Colombo, Sri Lanka, will provided guidance and assistance as required. AID/W's Office of International Training and other AID/W offices, notably SER/COM and ANE/PD will also support the project.

C. Procurement Plan

As the bulk of the additional funding will be used for the procurement of VHW's kits and health center equipment from UNICEF/Copenhagen, the following is the procedure that will be followed for such procurement:

1. AID/Burma will forward an AID-issued PIO/C worksheet to SER/COM/CPS/PS for processing and issuance in final form to UNICEF/New York (a copy of the worksheet should also be furnished to the local UNICEF office but be clearly marked "for information only, not for procurement action", in order to avoid possible duplicate procurement).

2. Upon receipt of the PIO/C worksheet, SER/COM/CPS/PS will inform UNICEF/New York of the proposed procurement and will request beforehand item availability, source and adequacy of funds.

3. Upon receipt of UNICEF/New York's favorable reply, SER/COM/CPS/PS will issue the PIO/C to UNICEF/New York in final form, sending a copy to FM/PAFD for issuance of a direct letter of commitment to UNICEF/New York.

4. Upon receipt of the direct letter of commitment, UNICEF/New York will forward the PIO/C to UNIPAC/Copenhagen for supply action.

5. When shipment is made, UNICEF/New York will forward billing invoices and supporting documents to SER/COM for validation and subsequent payment under the direct letter of commitment.

SER/COM/CPS and UNICEF/New York will be designated as the contact offices for coordination, processing and monitoring of AID-financed procurements from UNICEF.

Other commodities, such as data processing equipment, reference books and teaching materials will be contracted directly using AID applicable procurement procedures.

Proposed training programs, both short- and long-term, will be reviewed by the AID/Burma health officer to ascertain their relevance and cost effectiveness to the project. Training arrangements will be handled by the Office of International Training in AID/Washington following established procedures.

Technical assistance required to review the needs of the MOH's health information system will be procured using either an IQC, PSC or "buy-in" arrangement with the Bureau of Science and Technology.

D. Assessment of Methods of Financing

It is envisioned that all contracts originating under this project amendment will follow a direct AID contracting mode. The financing method envisioned for a contract for short-term technical assistance will be direct payment. This will be the same method of financing for evaluation services required under the project. Payment of UNICEF supplied equipment contemplated under this amendment will be financed by a direct letter of commitment (Direct L/COM) issued by AID/Washington. Data processing equipment, teaching materials and reference books and other equipment procured under this amendment will be financed by a direct letter of commitment to the supplier(s). Training will be financed by a Federal Reserve Letter of Credit (FRLC) or other appropriate funding mechanism.

The following table illustrates the methods of financing available for a given item to be procured under this amendment:

TABLE 2
METHODS OF FINANCING

Method of Implementation	Method of Financing	Approximate Amount (US $000's)
Short-Term TA	Direct Payment	30
UNICEF-supplied equipment	Direct L/COM	1130
Other Commodities	Direct L/COM	536
Training	FRLC	244
Evaluation	Direct Payment	35
Total		1975

E. Audits

Responsibility for audits for all programs of the Burmese Government lies with the Central Accounts Office of the Council of the People's Inspectors. Representatives of this office are assigned to monitor financial and procurement activities of major Departments and Corporations of Burma. The Burmese Government is ready to cooperate in any audit activity under this project with the Inspector General's Office in Manilla (RIG/Manilla). There is no indication at this time that this project will require special audit coverage.

VI. PROJECT ANALYSIS

A. Overview

The economic, financial and social soundness analysis included in the original project paper remain valid for this amendment. As was supported in the recent evaluation of PHC I 6/, economic analysis of health projects is difficult to perform because calculation of economic benefits requires accurate measurement of the health impact of various project interventions. Project impact (benefits) on health could not be assessed under PHC I due to the lack of reliable data on morbidity and mortality and because there were no controlled studies conducted during project implementation. However, the impression from available statistics, studies and observations of the evaluation team is that the project did have a favorable impact on health, particularly maternal and infant mortality and morbidity. As this amendment will provide commodities in support of continued primary health care services, it is believed that the interventions planned under this amendment will support a similar outcome.

B. Institutional Analysis

The mid-level manpower of the DOH, itself; those staff who operate from Rural Health Centers and Station Hospitals (Health Assistants, Public Health Supervisors, Lady Health Visitors and Midwives) are the lowest level of paid health worker in Burma. Their active involvement is critical to the success of the Primary Health Care Program since they are expected to train VHW's as well as supervise them, and to handle serious referral cases. Unfortunately, the supervision system, as indicated in the recent evaluation of PHC I 7/, is generally acknowledged to be the weakest link in the project. Supervision is infrequent and directive, rather than analytical and educational. Limited management information is available for making informed decisions. The DOH has taken note of these deficiencies and is giving greater attention to these qualitative aspects of the Primary Health Care program under PHC II.

The Vector Borne Disease Control Office of the DOH is responsible for the identification and the institution of control measures to combat malaria and other vector borne diseases. According to the health sector strategy review 8/, much better epidemiological and entomological data are needed so that control measures can be appropriately targeted.

6/ (End of Project Evaluation, Primary Health Care II, February, 1985 pg. 50)

7/ Ibid, pg. 64

8/ (A Review of AID's Health Sector Strategy In Burma, March, 1985, pg.14)

Although the expansion and strengthening of mid-level workers training should receive high priority under any further assistance program, the need for basic equipment is a need which will be addressed by this amendment. Short- and long-term training, teaching materials and refernce books for the Vector Borne Diseases Control Office are included to address the specific needs identified in the health sector review as well as the potential of satisfying requirements for an upgraded MOH health information system.

Although there are deficiencies within the DOH and with basic bureaucratic procedures, the quantitative objectives of the primary health care program are being met. With the advantage of the findings of the recent evaluation, the arrival of the long-term consultant under PHC II, and the additional financing provided by this amendment, the qualitative aspects of institutional development will be realized.

VII. CONDITIONS AND COVENANTS

There are no additional conditions and covenants requested as a result of this amendment. Section 2(A) of STATE cable 112616, dated April 13, 1985, (see Annex A of this amendment) encourages AID/Burma to consider a covenant requiring that the SRUB PHC budget include line items for replenishment of medicines, materials, equipment and other recurring costs. As indicated on page 36 of the original project paper, the MOH already does budget for imported items in support of the PHC program. Because of this, and the reality of the extremely limited availability of foreign exchange to the Burmese Government at present, it is felt that the inclusion of such a covenant would not produce the desired result of having the Burmese Government focus and better plan for the need to replenish these commodities. The Burmese Government is aware that these commodities will have to be procured after the completion of the project to maintain the momentum and quality of services provided by the Primary Health Care system. In all probability, these items will have to be funded from other donor agencies for the near future.

VIII. EVALUATION ARRANGEMENTS

The evaluation plan for the Primary Health Care II project will include a number of activities undertaken jointly by AID and the DOH including: (1) annual project evaluations starting in 6/86; (2) a major project evaluation scheduled for the first quarter of FY 1987; and (3) a final Impact Evaluation in 1989. Annual project evaluation exercises are intended to allow the AID/Burma and DOH project management team to assess project progress, and, on a regularly scheduled basis, make necessary adjustments in project implementation strategy.

Project funds will be used to pay the costs of U.S. consultants required to assist in the joint major evaluation during the first quarter of FY 1987, as well as the final Impact Evaluation in 1989. It is estimated that up to $235,000 ($35,000 included in this amendment) in grant funds plus Burmese Government-funded local costs will be required. AID/Washington technical assistance and guidance will most likely be required from PPC/Evaluation and ANE/DP to help define the scope of the evaluations and possibly to recruit qualified evaluation teams.

ANNEX A

[illegible]
RUMJRV
RUEHC #2616 1030212
UUUUU ZZH
[illegible] 1302112 APR 85 ZDK CTG RUMJRV #[illegible] SVC
FM SECSTATE WASHDC
TO RUMJRV/AMEMBASSY RANGOON PRIORITY 5624
RUMTBK/AMEMBASSY BANGKOK 8913
BT
UNCLAS STATE 112616

AIDAC BANGKOK FOR CONTROLLER

E.O. 12356: N/A
TAGS:
SUBJECT: BURMA - PROPOSED AMENDMENT OF PRIMARY HEALTH CARE II (PHC II) PROJECT (482-0004)

REF: A. RANGOON 1356; B. RANGOON 1707

1. SUMMARY. AA/ASIA (1) APPROVES EXTENSION OF THE PROJECT ASSISTANCE COMPLETION DATE (PACD) FOR THE PHC II PROJECT BY TWO YEARS TO JUNE 30, 1989; (2) AUTHORIZES MISSION TO PROCEED WITH THE PREPARATION AND APPROVAL OF PP SUPPLEMENT TAKING INTO ACCOUNT THE GUIDANCE PROVIDED BELOW; (3) HEREBY REDELEGATES TO THE AID REPRESENTATIVE TO BURMA AUTHORITY TO AUTHORIZE AN AMENDMENT ADDING DOLS 1.9 MILLION FROM FY 1985 HEALTH ACCOUNT; AND (4) HEREBY REDELEGATES TO THE AID RESPRESENTATIVE TO BURMA AUTHORITY TO NEGOTIATE AND SIGN PROJECT AGREEMENT AMENDMENT UPON COMPLETION OF PP SUPPLEMENT AND AUTHORIZATION OF FUNDS. END SUMMARY.

2. THE FOLLOWING ISSUES AND CONCERNS SHOULD BE ADDRESSED IN THE PP SUPPLEMENT:

(A) COMMODITY FOCUS ISSUE: IT IS CLEARLY A SHORT TERM REMEDY TO FOCUS ON COMMODITIES RATHER THAN THE MANAGEMENT WEAKNESSES AND SUPERVISION OF VOLUNTEER HEALTH WORKERS (VHW) IDENTIFIED BY THE RECENT PHC I EVALUATION TEAM AS IMPORTANT CONSTRAINTS TO ACHIEVEMENT OF PROJECT OBJECTIVES. ALTHOUGH PC APPRECIATES NEED FOR ADDITIONAL COMMODITIES TO MAINTAIN PROJECT MOMENTUM BY INCREASING VHW COVERAGE IN THE TARGET DIVISIONS AND FOR REPLACING/REPLENISHING EQUIPMENT OF RURAL HEALTH CENTERS AND SUBCENTERS, PP SUPPLEMENT SHOULD INCLUDE A THOROUGH ANALYSIS OF THE COMMODITIES QUESTION IN THE LONG RUN.

FOR EXAMPLE, THE SRUP PHC BUDGET SHOULD INCLUDE LINE ITEMS FOR REPLENISHMENT OF MEDICINES, MATERIAL AND EQUIPMENT; PROCUREMENT, STOCK CONTROL, INVENTORY EVALUATING INCLUDING AGING/SHELF-LIFE, AND TIMELY DISTRIBUTION; AND OTHER RECURRING COSTS. MISSION IS ENCOURAGED TO CONSIDER A COVENANT IN THIS REGARD.

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(B) VENTILATION THERAPY MATERIALS ISSUE: SUPPLEMENT SHOULD ESTIMATE CURRENT AND PROJECTED NEEDS FOR RINGERS LACTATE AND HOW SRUD WILL FINANCE THESE NEEDS BEYOND PHC II.

WE RECOMMEND AGAINST THE PLAN TO EXPLORE PRODUCTION IN-COUNTRY, PRESUMABLY BY BURMA PHARMACEUTICAL INDUSTRIES (PARA 3 C REF A). IN VIEW OF AGENCY POLICY AGAINST ENCOURAGING PARASTATAL PRODUCTION OF ITEMS WHICH CAN BE PRODUCED BY THE PRIVATE SECTOR, WE CANNOT SUPPORT FEASIBILITY STUDIES LEADING TO PARASTATAL PRODUCTION.

(C) DATA PROCESSING SYSTEM CONCERNS: IN CONDUCTING A THOROUGH ANALYSIS OF PHC DATA PROCESSING NEEDS, MISSION SHOULD RETAIN A HEALTH PROFESSIONAL OR INCLUDE SUCH A PROFESSIONAL ON THE ANALYSIS TEAM. EMPHASIS SHOULD BE ON THE INFORMATION NEEDS FOR HEALTH SERVICES PLANNING AND MANAGEMENT, PARTICULARLY AT THE LOCAL LEVEL.

(D) MALARIA STAFF TRAINING CONCERNS: BUREAU SHARES MISSION CONCERNS OVER SERIOUS IMPLEMENTATION PROBLEMS FACING MALARIA CONTROL PROGRAM IN BURMA. TRAINING OF MALARIA PROGRAM STAFF UNDER PHC II APPEARS TO OFFER ATTRACTIVE OPPORTUNITY FOR US TO HELP. MISSION SHOULD CONSIDER DEOBLIGATING DOLS 400,000 REMAINING IN THE PHC I TECHNICAL ASSISTANCE BUDGET AND REOBLIGATING THEM UNDER PHC II FOR MALARIA STAFF TRAINING.

3. YOU SHOULD ALSO ASSURE THAT ANY PHARMACEUTICALS TO BE PROCURED UNDER THE PP SUPPLEMENT ARE APPROVED BY THE COMMODITY ADVISER BANGKOK OR AID/W SER/COM. SHULTZ
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RUMTBK/AMEMBASSY BANGKOK PRIORITY 9857
BT
UNCLAS STATE 137433

AID AMB DCM CHRON

AILAC, BANGKOK FOR CONTROLLER

E.O. 12356: N/A
TAGS:
SUBJECT: PRIMARY HEALTH CARE II (482-0004)

REFS: (A) RANGOON 2228 (B) STATE 112616

1. RE PARA 2 REF A, REDELEGATED AUTHORITY TO AUTHORIZE PROJECT AMENDMENT PROVIDED REF B EXTENDED ONLY TO THE DOLS 1.9 MILLION FROM FY-85 HEALTH ACCOUNT--NOT TO FUNDS BEING CONSIDERED FOR REOBLIGATION FROM PRIMARY HEALTH CARE I.

2. THEREFORE, TO COVER THE MAXIMUM POTENTIAL DEOBLIGATION, AA/ASIA HEREBY (1) REDELEGATES TO THE AID REPRESENTATIVE TO BURMA AUTHORITY TO AUTHORIZE AN ADDITIONAL AMOUNT OF UP TO DOLS 430,000 ABOVE THE DOLS 1.9 MILLION PROVIDED REF B; AND (2) HEREBY REDELEGATES TO THE AID REPRESENTATIVE TO BURMA AUTHORITY TO NEGOTIATE AND SIGN PROJECT AGREEMENT AMENDMENT UPON AUTHORIZATION OF FUNDS AND EXPIRATION OF CNS.

3. FOR RANGOON: RE PARA 4 REF A, AID/W ONLY NEEDS TEXT OF CN FOR PRIMARY HEALTH CARE II (0004). CN FOR

DEOBLIGATION FROM PRIMARY HEALTH CARE I (0002) IS IN DRAFT AND WILL BE FORWARDED FOR FINAL CLEARANCE UPON RESPONSE FROM BANGKOK TO PARA 4 BELOW.

4. FOR BANGKOK: PLEASE PROVIDE BUDGET PLAN CODE FOR POTENTIAL DOLS. 430,000 DEOBLIGATION FROM PRIMARY HEALTH CARE I IN ORDER FOR AID/W TO PROCESS DEOBLIGATION CN.
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ANNEX B

GRANTEE'S REQUEST FOR ASSISTANCE

The Ministry of Health has been in close contact with AID/Burma during the development of this project amendment. They are supportive of the amendment and it is expected that the Burmese Government will submit an official REQUEST FOR ASSISTANCE when AID funding authorization is confirmed.