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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

PROJECT PAPER

PHILIPPINES

PRIMARY HEALTH CARE FINANCING PROJECT

492-0371

MARCH 1985

USAID/MANILA

UNCLASSIFIED

PHC Financing Project Paper Supplement
ORT Component

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE: A (A = Add, C = Change, D = Delete)

Amendment Number: 1

DOCUMENT CODE: 3

2. COUNTRY/ENTITY: Philippines

3. PROJECT NUMBER: 492-0371

4. BUREAU/OFFICE: Asia Bureau

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

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM 12 DD 31 YY 89

7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 83 B. Quarter 4 C. Final FY 85

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

A. FUNDING SOURCE	FIRST FY 83 B. FX	C. L/C	D. Total	LIFE OF PROJECT E. FX	F. L/C	G. Total
(D) Appropriated Total	265	9,535	9,800	415	15,585	16,000
(Grant)	(150)	(1,850)	(2,000)	(300)	(5,900)	(6,200
(Loan)	(115)	(7,685)	(7,800)	(115)	(9,685)	(9,800
Other U.S. 1.						
Other U.S. 2.						
Host Country		100	100		13,900	13,900
Other Donor(s)						
TOTALS						

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) PHX	532			2,000	9,800	4,200	-	6,200	9,800
(2)									
(3)									
(4)									
TOTALS				2,000	9,800	4,200	-	6,200	9,800

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each): 510 | 520 | 530 | 986

11. SECONDARY PURPOSE CO: 582

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code	BRW	R/H	Coop	PART.		
B. Amount	8,000	5,000	500	5000		

13. PROJECT PURPOSE (maximum 480 characters)

To increase access to and utilization of sustainable primary health care services managed and financed by communities and the GOP.

14. SCHEDULED EVALUATIONS

Interim MM 09 YY 85 | MM YY | Final MM 09 YY 89

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

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

A new service delivery component will be added to the project which seeks to reduce mortality from acute diarrhea by increasing the utilization of oral rehydration therapy as a primary tool in the management of diarrheal disease.

17. APPROVED BY

Signature: Frederick W. Schieck

Title: Mission Director

Date Signed: MM 04 DD 06 YY 85

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

AID 1330-4 (8-79)

Acronyms Used in the PP Supplement

BSB	-	Botica sa Barangay
BHS	-	Bureau of Health Services; also Barangay Health Station
CDD	-	Control of Diarrheal Disease
CDSS	-	Country Development Strategy Statement
GOP	-	Government of the Philippines
HEMDS	-	Health Education and Manpower Development Service
ICDDR,B	-	International Center for Diarrheal Disease Research, Bangladesh
IEC	-	Information, Education and Communication
IV	-	Intravenous
MOH	-	Ministry of Health
NRTC	-	National Rehydration Training Center
ORS	-	Oral Rehydration Solution
ORT	-	Oral Rehydration Therapy
PATH	-	Program for Appropriate Technology in Health
PHC	-	Primary Health Care
PHCF	-	Primary Health Care Financing
PMS	-	Program Monitoring Staff
PRITECH	-	Primary Health Care Technology
RHU	-	Rural Health Unit
UNICEF	-	United Nations International Children Emergency Fund
WHO	-	World Health Organization

PHC Financing Project Paper Supplement
ORT Component

Table of Contents

		Page
	Project Authorization	
I.	Summary of Recommendations	1
II.	Problem Analysis	2
III.	Detailed Project Description	
	A. Project Goal	8
	B. Project Purposes	8
	C. Outputs	9
	D. Inputs	18
IV.	Relationship to Other Projects and Other Activities in the Sector	18
V.	Implementation Plan	
	A. Administrative Arrangements and Analysis	19
	B. Detailed Implementation Schedule	21
	C. Financial Plan and Analysis	22
	D. Commodity Procurement Plan	23
VI.	Project Specific Analyses	
	A. Technical Analysis	24
	B. Social Soundness Analysis	26
	C. Economic Analysis	28
	D. Administrative Analysis	32
VII.	Evaluation Plan	32
VIII.	Conditions, Covenants and Negotiating Status	33

IV

Annexes

A. AID/W Approval Cable

B. Logical Framework Matrix

C. Budget Schedules

D. Statutory Checklist

E. Initial Environmental Examination

F. Building Renovation Plans and Specifications

G. Request for Assistance

AMENDMENT NO. 1
TO
PROJECT AUTHORIZATION

Name of Country: Philippines

Name of Project: Primary Health Care Financing

Number of Project: 492-0371

1. The Primary Health Care Financing Project for the Republic of the Philippines (the "Cooperating Country") was authorized on July 27, 1983. Pursuant to Section 104(c) of the Foreign Assistance Act of 1961, as amended, and in accordance with my authority as delegated by Redelegation of Authority No. 133.1, as amended, and Redelegation of Authority No. 112.7, as amended, I hereby amend the Project Authorization for the Primary Health Care Financing Project as follows:

A. The level of planned grant obligations is increased from $2,000,000 to $6,200,000 and the level of planned loan obligations is reduced from $10,000,000 to $9,800,000. Planned loan and grant obligations shall be available for obligation over a six and one half year period from the date of original authorization, subject to the availability of funds in accordance with the A.I.D. OYB allotment process. Of the additional $4,200,000 grant, $4,000,000 shall be used to finance the implementation of the Oral Rehydration Therapy (ORT) Component, and $200,000 shall be added to the other support cost category of the PHC Financing Project.

B. The Amendment to the Project Agreement, which may be negotiated and executed by the Officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and delegations of authority, shall contain, in substance, the following essential terms and conditions, together with such other terms, conditions and covenants as A.I.D. may deem appropriate:

(i) Prior to any disbursement of funds or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made under this Amendment, the Cooperating Country shall furnish to A.I.D. evidence of the organization and staffing of an ORT Program Monitoring Staff and of a detailed implementation plan and schedule necessary to implement the ORT Component, all of which shall be satisfactory in form and substance to A.I.D.

VI

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

Frederick W. Schieck
Mission Director

April 6, 1985
Date

Clearances:

OPHN:WJohnson
OAAD:DClark 3-8-85
OCD:JTennent 3-8-85
PO:WTOliver 3-11-85
OLA:BMMiller 3-12-85
CO:HWCollamer

VII

Project Paper Supplement
Primary Health Care Financing/ORT Component

1. Summary and Recommendations:

A. Costs

Total costs are as follows:

	ORT Add-on	PHC Financing	Total
AID			
Grant	$4,000,000	2,200,000	$ 6,200,000
Loan	---	9,800,000	9,800,000
GOP			
Counterpart Support	3,000,000	10,900,000	13,900,000
Total Project Costs	$7,000,000	$22,900,000	$29,900,000

B. Purpose

The Government of the Philippines has requested USAID assistance to expand its program to reduce mortality from acute diarrhea, which is second only to respiratory diseases as a cause of death among infants and young children. The purpose of this project component is to increase the utilization of oral rehydration therapy as a primary preventive measure against dehydration and shock which are the proximal causes of diarrheal deaths. The achievement of this purpose is expected to contribute significantly to the attainment of a CDSS goal which is to reduce infant and early childhood mortality.

C. Description

To achieve the purpose of increasing ORT utilization, the following activities will be undertaken:

1. A market for oral rehydration solutions (ORS) will be created in order to promote their commercial production and distribution by the private sector. This will insure the constant availability and ready accessibility of oral rehydration solutions. Commercialization will be promoted by gradually phasing out MOH ORESOL production and its free distribution policy, and by providing funds to procure commercial ORS to be sold in the MOH village pharmacy network.

2. A comprehensive and coordinated promotional campaign will be undertaken in order to stimulate the demand for oral rehydration therapy. ORT promotions will be directed at three levels:

a. Medical professionals. Physicians will be provided with training opportunities to gain the basic knowledge and skills on ORT through the establishment of a National Rehydration Training Center. In addition, professional literature on diarrhea management will be disseminated to active medical practitioners and periodic scientific meetings will be held for the sharing of the latest information on rehydration therapy.

b. Paraprofessionals. ORT training will be incorporated into the staff development and in-service training activities of nurses, midwives and village health workers.

c. Lay Public. The project will fund the development, production and distribution of leaflets, posters and other materials to promote the concept of oral rehydration therapy among the nearly nine million households in the country. The ORT concept will also be promoted on radio, TV and the print media.

3. The project will strengthen the institutional capacity of the MOH to manage, coordinate and monitor the national ORT program.

D. Summary of Project Analyses

The analyses in the project paper supplement conclude that the project is technically, socially, economically and financially feasible. The implementation plan is sufficiently developed to begin project implementation.

E. Waivers

No waivers are anticipated under this project.

F. Statutory Requirements

All statutory requirements have been met.

G. Recommendation

That the project paper supplement be approved and that an additional $4 million AID assistance be authorized under grant funding so that implementation can begin in FY 1985.

II. Problem Analysis

Diarrheal disease is a major public health problem in the Philippines. Over the past twenty years, it has consistently ranked second to fourth among the leading causes of mortality and morbidity. Among children aged 5 years and below, it is the second leading cause of death and illness, with an

official mortality rate of 2.1 per thousand and a morbidity rate of 19 per thousand. Almost half of all reported cases and three-fourths of deaths from various forms of diarrheal disorders occur among children under 5 years of age. In 1983, 17,000 deaths reported to the MOH were attributed to diarrhea and over 1.2 million cases were treated in rural health units. Both of these figures substantially underestimate the actual situation. A very recent field survey conducted jointly by MOH, WHO, USAID and UNICEF and involving a nationwide sample of 11,000 children showed that children under five years of age, on the average, experience 2.8 diarrhea episodes per child per year. This means that a total of up to 25 million diarrhea episodes occur each year among children 5 years old and below. The survey also showed that diarrhea mortality among children of this same age group is 9 per thousand. Furthermore, diarrhea cases occupy 30-50 percent of all pediatric hospital beds.

Diarrheal disease, therefore, constitutes a serious developmental problem. Aside from being a major cause of infant and young child mortality, the enormous cost of treating cases is a big drain on the country's scarce resources. Government efforts at minimizing the tragic consequences of diarrhea is embodied in the Ministry of Health's Control of Diarrheal Diseases (CDD) program. The CDD program was launched in 1980 with the twin objectives of reducing mortality from diarrheal diseases particularly among children below 5 years of age, through the extensive use of ORT, and the reduction of morbidity from diarrheal diseases through environmental sanitation, maternal and child health, nutrition, surveillance and health education activities.

The CDD program is being implemented under the umbrella of primary health care. At the national level, a CDD committee chaired by the Health Minister was organized, and is responsible for the formulation of policies and program implementation guidelines. A CDD task force, composed of representatives from MOH units with program implementation responsibilities, is responsible for the planning, organization and management of the CDD program. CDD activities include: a) production of ORESOL, an oral rehydration solution that is distributed free to the public through the MOH network; b) short training courses designed to familiarize a large number of government health workers to ORT technology; c) development of IEC materials and posters on ORT; and d) improvement of disease reporting system in order to have a more accurate information on the actual incidence of diarrhea morbidity and mortality.

Philippine Experience with ORT

Most diarrheal diseases are self-limiting and various studies have confirmed the limited usefulness of antibiotics and other non-specific anti-diarrheal drugs in their management. Since the fatal effect of an acute diarrheal episode is due to the resultant dehydration, modern diarrheal disease management is always geared towards the replacement of lost fluid and electrolytes. The conventional approach to fluid and electrolyte replacement has been through intravenous therapy. Although this is an effective approach,

it is very expensive and oftentimes treatment is not started as early as it should.

The advent of oral rehydration therapy (ORT) has proven to be a major breakthrough in the prevention of dehydration from diarrhea, especially in countries like the Philippines. Glucose dissolved in water together with sodium, potassium and bicarbonate or citrate, taken in the right proportions, is as effective taken orally as when given intravenously. Its major advantages are that it is far less expensive and treatment can be started very early in the disease.

ORT was first tried in the Philippines about twenty years ago when the country was hit by a series of cholera epidemics. Clinical trials using various formulations were conducted at the San Lazaro Hospital in collaboration with the World Health Organization, the United States Naval Medical Research Unit and the Ministry of Health of Japan. With the control of cholera in the mid-60's, interest in ORT declined. The studies, however, were resumed by the MOH in 1975-1977, jointly with the World Health Organization. The field trials, conducted in Bacolod City, yielded the following observations:

1. Children given ORESOL (the local name for the WHO-formulated glucose-electrolyte powder used for oral rehydration) during diarrhea gained more weight, both during the episode and over a 7-month period compared with those in a control group.

2. The intensive use of ORESOL in the home reduced hospitalization and deaths from dehydration by as much as 80 percent.

3. There was an improved perception that continued feeding during diarrhea was beneficial.

4. Non-specific anti-diarrheal drugs provided no added benefit to the use of oral rehydration solutions.

Encouraged by the findings of these field studies, the MOH embarked on a program of ORESOL production and distribution, which eventually became the core activity of the national CDD program. Since 1977 and up to the end of 1983, the Bureau of Research and Laboratories of the Ministry of Health has produced and distributed about 12 million one-liter ORESOL packets. Current production level is 4 million packets annually, and distribution is at 10,000 -20,000 per region per month, depending on population size.

The Ministry of Health's ORT promotion activities have consisted of short training courses for clinicians and program implementors, and the mass production of posters, brochures and pamphlets that provide information and instructions on the practice of ORT. A national ORT seminar-workshop involving regional trainors was held in 1981, and this was echoed down to the provincial, municipal and barangay levels. Several representatives from two

national hospitals were sent to ICDDR-B for training, and these hospitals have conducted limited ORT clinical training. Two courses on the clinical management of diarrhea were conducted in 1982 with participants coming from the 12 regional hospitals. The participants were expected to promote ORT use to the rest of the hospitals in their regions.

Efforts to promote ORT to the lay public have been undertaken by the IEC section of the MOH. They have produced two posters describing the use of ORESOL, and 2,000 copies of these have been printed and distributed to RHU's and hospitals. With assistance from Kabalikat/PATH, the MOH designed a one-page flyer that was distributed in conjunction with the ORESOL product. A million copies have been printed for distribution. In addition to the flyer, a brochure for rural health workers was designed, tested and distributed. Very recently, a manual for physicians was produced although not yet widely distributed.

Other MOH actions to strengthen the ORT program include the mandatory reporting of all diarrhea cases regardless of etiology and the withdrawal of antidiarrheal drugs from the essential drugs list of Rural Health Units.

Assessment of the National Program

After about five years of ORT promotion, the MOH and USAID jointly invited an interdisciplinary team of Management Services for Health consultants under the PRITECH project to do an overview assessment of the government's efforts at promoting ORT and identify program areas that need to be strengthened in order to promote its use more widely. The findings of the assessment indicate that in spite of the Ministry of Health's efforts, awareness and actual use of ORT are not as widespread as could be expected from a five-year old program. Demand for anti-diarrheal drugs and IV fluids still far exceeds the demand for oral rehydration solutions. Only a handful of private medical practitioners are fully sold to the idea of oral rehydration, and even government hospitals were observed to be paying lip service to the ORT promotional efforts of MOH. The resulting Country Assessment Report identified four major weak areas in the country program.

A. Limited availability and accessibility to an appropriate oral rehydration product

A vital requirement in the development of a national ORT program is the ready availability of an appropriate oral rehydration solution. Oresol is currently the only such product in the Philippines, yet its availability is almost exclusively limited to MOH facilities.

From a modest beginning in 1977, the MOH now has a production capacity of 4 million one-liter packets annually, which may well be its limit. Problems of high production cost (at ₱1.90 per packet excluding overhead) and the interrupted availability of imported raw materials because of the scarcity of foreign exchange limit the MOH's capability

to meet the increasing Oresol demand which, in government facilities alone, is estimated at 8 to 10 million packets per year.

There are five ORS products in the commercial market, which in 1983 sold an equivalent of 600,000 liters valued at ₱8.5 million. (In contrast, antidiarrheal drugs sold ₱72 million and sales are projected to grow at 20 percent per year). The prices of the commercial ORS are prohibitive,and the demand for them has been therefore small, with sales almost confined to the higher income group. Furthermore, none of them conform to the WHO-prescribed standards for oral rehydration solutions.

The results of a study entitled "An Analytical Study on Why Private Drug Manufacturers Are Not Engaged in the Mass Production of ORS" (undertaken by a local PVO using PD&S funds) became available in February 1985. This study essentially confirmed impressions that commercial companies had not expanded their marketing of ORS Products for several reasons: (1) they estimated that if all of the ORESOL produced by the MOH is actually reaching low income groups, that about 60% of the demand among the low income groups was being met through the free distribution program, and (2) that the effective demand for ORS has not been as large as it could be given the fact that private practitioners are not prescribing it and the general public is not well informed about the need for it. Private manufacturers clearly see that they would need to capture a large portion of the low income market (now serviced by ORESOL) in order to take advantage of economies of scale and be able to produce a low-cost, high volume ORS product.

The government's limited ORS production and distribution capabilities, coupled with the commercial sectors' non-participation in the mass market is viewed as a constraining factor towards the ready availability of ORS and has consequently affected the widespread adoption of ORT. The gap between current supply and actual need has been estimated to be between 10 and 20 million liters per year.

B. Resistance by Medical Professionals to Practice ORT

The assessment team developed the impression that Philippine physicians' use and promotion of ORT is less than optimal. This seeming reluctance among physicians and medical paraprofessionals to practice oral rehydration is evidenced by their indiscriminate resort to anti-diarrheal and intravenous therapy even for mild to moderate dehydration. Interviews with hospital staff in Region III and in Metro Manila indicated an overall unwillingness to concede that ORT is at least as effective as intravenous rehydration, despite the large body of clinical evidence to the contrary. While it is recognized that there are financial incentives offered to physicians to promote antidiarrheal and IV's, the stronger suspicion is that the lack of awareness of the clinical effectiveness of ORT and the deficiency of skills to practice it are major reasons for this behavior. Given the

dominating influence of physicians over clinic and hospital practices, disease management procedures and consumer preferences, failure to prescribe ORT by these professionals has prevented the widespread adoption of oral rehydration.

C. Lack of public awareness on the merits of ORT

The PRITECH assessment was able to confirm the findings of prior MOH program implementation reviews that a mass audience for ORT has not been effectively reached. The budgetary limitations of the MOH have prevented it from promoting ORT beyond the immediate vicinity of the rural health units and barangay health stations. Although posters and other informational materials were produced, only limited copies were printed and these are oriented to literate workers who use them merely as an ancillary teaching tool. Use of mass communications media had been very minimal; thus, the oral rehydration message still has to reach the greater mass of the lay public. Anecdotal information abounds on mothers who continue to demand intravenous and anti-diarrheal therapy on their children, and their disappointment over physicians who prescribe oral rehydration.

Messages on proper dietary practices during diarrhea episodes have not been effectively communicated as well. For example, the last National Health Survey found that 86 percent of a nationwide sample withheld food when their children had diarrhea. The same pattern was observed in studies conducted by an international study group in Bacolod City.

D. Limited manpower support within the MOH to manage and coordinate ORT activities

A job analysis undertaken by the assessment team revealed that the management, coordination, monitoring and evaluation functions for ORT activities are being performed by MOH personnel with other full time commitments. Because of the competing priorities for the time of the people currently managing the program's implementation, a more widespread promotion of ORT has not been achieved. The program has, fortunately, enjoyed the strong support and guidance of the Health Minister, as a result of which policy formulation has been generally clear and widely disseminated. Closer tracking of implementation activities and coordination of efforts to obtain the required logistic support for program operations are clearly needed.

In view of the above findings, the Country Assessment Report recommends that, in order to promote a more widespread use of ORT, the following areas need to be addressed:

1. Assure a steady supply of ORS products by making them constantly available and readily accessible;

2. Develop strategies to get medical professionals and paraprofessionals to prescribe ORT in diarrhea cases;

3 Embark on a massive public information and education campaign on ORT;

4. Strengthen the institutional capability of the MOH to manage a national ORT program.

A more recent review of the national CDD program undertaken by the MOH and WHO and with the participation of USAID and UNICEF arrived at the same findings and submitted a similar set of recommendations to increase the utilization of ORT.

In view of the magnitude of the diarrhea problem in the Philippines and its impact on infant and young child mortality reduction, it is proposed that the PHC Financing Project be amended to include a component that will support the broadening and intensification of MOH efforts to promote ORT use. The proposed ORT component will serve to implement the recommendations of two assessments that sought to identify the key areas in the Philippine ORT program that need to be strengthened.

III. Detailed Project Description

A. Project Goal

The goal of the Primary Health Care Financing Project is to reduce high fertility and infant and young child mortality. The ORT component will contribute to this goal by reducing diarrhea specific infant and early childhood mortality from 9 per thousand* to 4 per thousand by 1989.

The developmental significance and rationale for this goal are fully explained in detail in the Primary Health Care Financing Project Paper and in the Mission's Population, Health and Nutrition Strategy. Reduction of mortality from diarrhea will contribute significantly to the achievement of the PHN sectoral goal because diarrhea is second only to respiratory diseases as a cause of death among infants and young children.

B. Purpose

The purpose of this project component is to increase the utilization of oral rehydration therapy as a primary preventive measure against diarrheal deaths. It is recognized that, in the long run, only modern sanitation, clean water, better education and nutrition and improved

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* Figure obtained from the January, 1985 Diarrhea Morbidity and Mortality Survey using a national sample of 11,000 children.

living conditions can bring down the diarrhea morbidity rate. In the short run, however, the scientific knowledge, practical technology and proven effectiveness of oral rehydration therapy already exist to prevent most deaths from diarrhea. Diarrheal deaths are usually due to dehydration and shock for failure to replace adequately and on time the lost fluid and electrolytes. If oral rehydration is started early in the diarrhea episode, not only is a life-threatening situation averted, but also expensive parenteral rehydration is avoided. Early data from the Ministry of Health tend to show that in places where oral rehydration was promoted extensively, the proportion of deaths from diarrhea was significantly reduced (Azurin, 1983). The experience at the San Lazaro Hospital likewise indicates that admission of diarrhea cases was reduced by one-half after the establishment of its oral rehydration unit, thereby also reducing by one-half diarrhea hospitalization costs. (Sullesta, 1983).

Indicators for purpose achievement are the following:

1. Use of oral rehydration for diarrheal disease management increased from a range of 23 to 33% (January, 1985 survey) to 70%.

2. At least 90% of mothers know how and when to use ORT.

3. At least 50% of private medical practitioners prescribe ORS of approved formulation for diarrheal diseases.

4. ORT becomes a routine treatment protocol at government hospitals and rural health units.

5. ORS products of approved formulation available at Botica sa Barangays, sari-sari stores and pharmacies.

The strategy that will be followed in order to achieve the project purpose consists mainly of assuring a continuous and readily accessible supply of oral rehydration solutions, and the creation of an effective demand for them. The central hypothesis of the project is that if physicians are made aware of the scientific and physiologic bases of ORT and develop the skills to practice it, they will prescribe ORT as a standard treatment for diarrhea; and if the public is made fully aware of the superiority of ORT over IV's and antidiarrheal preparations for the treatment of diarrhea, and if ORS products are widely and easily accessible, these will result in a more widespread use of oral rehydration therapy.

C. Project Outputs

The project purpose of increasing ORT utilization through demand creation and assuring a steady and continuous supply of ORS will be achieved by the accomplishment of the following outputs:

1. Commercialization of ORS Products

In order to assure a continuous and readily accessible supply of oral rehydration solutions nation-wide, the most logical strategy is to make sure that appropriate and reasonably priced ORS is available as an over-the-counter product in commercial channels such as pharmacies and sari-sari stores. A commercial product will have the advantage of a wider and easily accessible distribution network with longer hours and more outlets than MOH facilities can provide. Additionally, if such a product is available, private physicians and hospitals will find it as easy to prescribe a safe, electrolyte balanced rehydration solution as it currently is to prescribe antidiarrheal drugs and I.V. fluids.

The MOH, in turn, recognizes that due to the increasingly tight budgetary situation and the increasing cost of production, it can not sustain its ORESOL production function to meet the public's ORS requirements. They have also realized that a free distribution policy is neither feasible nor desirable in the long run . There will never be enough public funds to meet the need, and a dole-out policy runs counter to the self-reliance doctrine that is being propagated under the MOH primary health care program.

During the project planning and negotiations, the MOH has agreed to the following: (1) By the end of the five year project life, the MOH will no longer produce ORESOL. (2) During the project life, the MOH will buy, from its own resources, increasing amounts of an ORS product from commercial producers and make that product available for sale through the village pharmacy network called Botica sa Barangay (BSB). Project funds will also be used to purchase the same ORS product, however, the amount will decrease every year until in the last year, the MOH resources are the only source of funding. (3) Because of the arrangements described above, free distribution of ORS will no longer be a feature of the MOH program after the life of the project because an affordable commercial product will be widely available.

It is felt that a key to stimulating commercialization is the creation of a profitable product market and the removal of such disincentives as government competition or price controls. This project will assist in the creation of a commercial market for ORS products by providing $1.5 million ($750,000 from AID and $750,000 from MOH) to purchase ORS from the commercial sector, all or part of which will be provided as capital stock to the 30,000 BSB's in the country. The BSB's will sell these to consumers and the sales proceeds will be utilized for stock replenishment in order to perpetuate the ORS supply at the barangay.

The MOH will procure commercial ORS products with funds drawn

from its drugs budget, according to the following schedule: $50,000 in the first year of the project, $100,000 in the second, $150,000 in the third, $200,000 in the fourth and $250,000 in the fifth year. On the other hand, AID funds that will be made available for commercial ORS procurement will be as follows: $250,000 in the first year, $250,000 in the second, $150,000 in the third, and $100,000 in the fourth. By the fifth year of the project, only MOH funds will be used to procure commercial ORS products to meet the requirements in BSB's, government hospitals and health units.

The $1.5M worth of ORS products to be procured over the five-year life of this project component, plus the replenishment purchases by the BSB's is believed to be adequate enough to attract the interest of commercial manufacturers. Additional incentive comes in the form of free product promotions which will be undertaken under this project. The MOH will make arrangements with commercial suppliers whereby, in addition to providing stocks to BSB's, the manufacturer will also produce a certain volume to be marketed in drugstores and other retail outlets. It is expected that the massive ORT promotions activities that will be undertaken by the project will substantially broaden the commercial market for ORS products.

The MOH will continue to produce ORESOL, on a declining basis, to insure that ORS products are available to those who demand them at government hospitals, RHU's and health centers, as the commercial supply is still being developed. Although the MOH will maintain its annual budget of ₱5 million for Oresol production, inflation will cause the decline of the number of packets that will be actually produced. The MOH is committed to stop producing ORESOL at the end of five years. By this time, it is anticipated that ORS will be commonly available at BSB's and other retail outlets, so that the demand for the product at government hospitals and other health units will be eased considerably.

A commercial ORS product in tablet form which meets WHO standards is about to come out on the market. The MOH has committed to purchase pesos one million worth of this product in 1985 for BSB stocking. This commercial ORS tablet, since it is the only one in the market, will most likely be the product that will be purchased for the project's initial requirement. So as not to abet a monopoly, the project will encourage the introduction of similar products in the market by competing the annual procurements for the 1986-1989 period. This will also serve to maintain the reasonableness of prices to the consumers. The project will provide a grant of $50,000 to the Philippine Drug Manufacturers Association to undertake detailed marketing studies, to include a review of wholesale price projections and other issues. The results of these studies will be made available to anyone interested to participate in the ORS market.

It is anticipated that in addition to manufacturing an ORT product for the guaranteed MOH sales, private firms would have reasonable incentives to mass market their product because thousands of municipal pharmacies and boticas in the villages will be needing to restock the commercial product that was provided on a small, one-time basis by the MOH. Once this stock has been sold, these commercial retailers will form an attractive market for the manufacturing firms. Because the MOH will be discontinuing free distribution of ORESOL and there are no plans for government distribution at subsidized rates, there ought not to be any more disincentives for private companies to market their ORT products aggressively. In addition, the project will be funding a series of promotions efforts for ORT with medical professionals, other health workers, and the general public which should greatly increase the demand for ORT products throughout the country.

2. ORT Promotion Among Medical Professionals

The ORT component of the PHC Financing Project will build upon previous demand creation efforts that have been undertaken. It will target the medical professionals and paraprofessionals who constitute the diarrhea management prescribers, as well as the lay public which constitute the potential ORT users, through a coordinated and comprehensive promotion strategy. The previous promotional efforts of the MOH were aimed mainly at creating awareness of oral rehydration treatment. The next phase of promotion, to be supported under this project, will aim at institutionalizing the use of ORS in the hospital, the health station, and the household. More important than making ORT a standard practice in hospitals and clinics is the institutionalization of ORT use in the home. When rehydration therapy is immediately given at the onset of a diarrhea episode, dehydration is effectively prevented thus eliminating the need to seek professional care. Given the heavy influence of physicians over home practices related to diarrhea management, it is extremely important that the ORT concept be widely promoted among medical professionals. Professional promotions will include, at a minimum, intensive training with an emphasis on clinical management practices such as out-patient rehydration, dissemination of professional literature, and opportunities for scientific meetings and discussions in order to share new information. Following the recommendations of the Assessment Team, the ORT promotional activities will include the following:

a. Establishment of a National Rehydration Training Center (NRTC)

The major purpose of the NRTC is to provide an in-depth training experience for doctors and other health personnel thereby developing specialists in oral rehydration. The center will offer a standard

one-month course with clear instructional objectives, required reading materials, standard clinical and written presentations, clinical case care and a final examination. Upon fulfillment of the course requirements, the graduate will earn a recognized diploma or certificate as an expert in rehydration therapy.

Funding support will be made available to train at least 75 provincial hospital pediatricians and 75 pediatric ward nurses coming from the country's 75 provinces. Once trained and certified, the pediatrician-nurse pair will become the provincial resource for ORT clinical training for all hospitals and health units in the province. Travel funds will be provided to facilitate the demonstration of oral rehydration to all physicians in RHU's and District hospitals of the province. It is envisioned that through this approach, a total of at least 2,000 physicians in district hospitals and RHU's will be provided with the basic knowledge and skills on ORT use. The provincial ORT clinical trainors will be available to private institutions to teach the use of oral rehydration in the clinical management of diarrhea.

The NRTC will also be open to private practitioners interested in developing ORT clinical skills. However, participants from the private sector will be asked to shoulder the costs of transportation and room and board.

The NRTC will be situated at the San Lazaro Hospital, which, together with the National Children's Hospital, has been providing some limited ORT clinical training. The U.S. Naval Medical Rsearch Unit (NAMRU) is currently renovating one wing of the San Lazaro Hospital to house the gastroenterology ward so that all diarrheal care will be centralized, where standard treatment protocols could be established and maintained. The project will provide funds to add a small extenstion to that wing to allow space that will be used for training purposes. This will include a lecture room, a projection room, an ORT library and trainees' quarters. A formal relationship will be established with the International Center for Diarrheal Research in Bangladesh (ICDDRB) to collaborate on the investigation of clinical problems, and the development of effective training approaches and strategies to develop ORT expertise.

The personnel who will manage and operate the NRTC will come from the existing staff of the San Lazaro Hospital, and their salaries will be paid out of the MOH budget. After five years, the NRTC will be operated and maintained using MOH funds solely, for which they will seek the necessary budgetary appropriation from the Office of Budget and Management.

b. Dissemination of Professional Literature

The project will make funds available for the development, printing and distribution of scientific information on diarrhea and its management. The newly developed Physicians Manual on Management and Prevention of Diarrhea will be disseminated more widely to active medical practitioners. A quarterly newsletter will be produced on contract and distributed to medical professionals. The newsletter will contain selected articles from Diarrhea Dialogue, Glimpse and other international newsletters, as well as reports on recent Philippine experiences and research findings. The newsletter will include current information on the progress of the Philippine Oral Rehydration Program, new policies, new commercial ORS products, results of clinical trials, etc.

In addition, the NRTC will make WHO publications and other professional documents on diarrheal disease more widely available. A core set of basic diarrhea and ORT literature will be provided each graduate of the NRTC, which will be updated periodically through the newsletter. A national diarrhea library will be established at the NRTC and will keep all related WHO publications and guidelines, selected literature from the pediatric infectious disease and public health publications, and recent books such as Diarrhea and Malnutrition by Chen and Scrimshaw and the ICORT Proceedings. The library will fulfill service requests for professional information on diarrhea and rehydration.

The project will target the dissemination of professional literature to 5,000 active medical practitioners.

c. Professional Meetings

To further stimulate and sustain professional interest in oral rehydration, funds will be made available to hold periodic professional meetings in order to provide fora at which practitioners can present their experiences and exchange views and ideas relative to oral rehydration. At least four annual scientific meetings are planned under this project. Funds will be provided to enable nationally and internationally recognized individuals to make presentations and provide up to date information on diarrhea treatment. An invitation will be made to practitioners to present papers on results of clinical trials or experiences on the use of ORT. At these professional meetings, the commercial promotion of new rehydration products will be encouraged.

Kabalikat, (a local PVO) has been contracted, using PD & S funds, to organize the first such meeting to be held in October or November, 1985. That experience will guide the organization and management of subsequent scientific conferences to be funded under

this project. The same PVO is also working with the Philippine Pediatric Society and selected faculty of the University of the Philippines College of Medicine to put together ORT clinical training modules for undergraduate medical students, pediatric residents and participants in post-graduate training courses. The module for undergraduates will be tested at the Department of Pediatrics of the U.P. College of Medicine and once refined, will be submitted to the Association of Philippine Medical Colleges for inclusion in the undergraduate curriculum of all the 26 medical schools in the country. The ORT modules for pediatric residents and postgraduate training courses will also be tested at the Philippine General Hospital and by the U.P. College of Medicine Circuit Lecture Series. Once tested and refined, these modules will be packaged and made available to hospitals with pediatric residency training programs and professional associations such as the Philippine Pediatric Society, Philippine Medical Association, Academy of Family Physicians and other interested groups. The ORT module will be used in the post-graduate courses that these associations conduct regularly among their provincial chapters.

3. Training of Paraprofessionals

Training of paraprofessionals is deemed important in order to support the institutionalization of oral rehydration. Paraprofessionals such as nurses in provincial and district hospitals, and nurses and midwives in Rural Health Units will be trained following standard curriculum guidelines and materials to be provided by the CDD Task Force. Paraprofessional training on ORT will be integrated into regularly scheduled in-service training sessions or staff development activities. In other words, no special training courses will be organized for the sole purpose of ORT. . The project will make available standard instructional materials and a slide-sound set on ORT. A slide sound show will be centrally produced and made widely available within each region. In addition, wall charts depicting approaches to diarrhea management using ORT will be made available.

It is envisioned that at the end of five years, an estimated 5,000 nurses and 7,000 midwives in RHU's, District Hospitals, and those working in the pediatric wards of provincial, regional and specialty hospitals will have received instructions on ORT.

It is anticipated that as a result of the massive promotion of ORT among physicians and paraprofessionals, outpatient rehydration will become a standard practice in all RHU's and government hospitals. The ORT Program Assessment Report has noted that although ORT corners had been set up in RHUs' and government hospitals, actual on-site rehydration virtually does not take place. Patients with diarrhea presenting themselves at these

facilities are either provided with a packet of ORESOL and sent home, or are admitted to the hospital. Mothers being given the packet typically receive instructions on how to mix and administer the solution but do not have the benefit of a demonstration. It is not known whether they successfully rehydrate their children.

Out-patient rehydration has been proven to be one of the most effective ways to promote the use of ORT in many countries throughout the world, and its promotion will therefore be a major activity under this project. Promotion of outpatient rehydration will be a central agenda in the clinical training that will be provided to medical professionals and in the ORT promotion activities for paraprofessionals, so that at the end of the project, out-patient rehydration will be practiced in all government clinics and hospitals.

4. Public Promotion of ORT

Information, education and communication (IEC) efforts to develop awareness and teach the lay public about the value of ORT are another level of a comprehensive promotion strategy. The Ministry of Health has actually initiated efforts along this line over the past three or four years, but logistical limitations have prevented it from doing more. The IEC component under this project will aim to reach the more than six million households in the country. The strategy will maximize interpersonal communication, tapping the established Primary Health Care (PHC) network of midwives, barangay health workers, PHC committees, school teachers and mothers club members to disseminate, diffuse and internalize the use of ORT. Print and broadcast media will also be utilized to reinforce and popularize the use of oral rehydration therapy in the hospitals, clinics and homes.

The project will provide funds for the development, production and distribution of leaflets, posters and other promotional materials. Funds will also be made available for the promotion of ORT on radio and TV and the production of video tapes for use in the MOH's mobile audio-visual vans. The key messages to be carried in the promotional campaign will include the importance of continued feeding during diarrhea, how to prepare home-made oral rehydration solutions when pre-packed ORS is not available, and when medical attention should be sought. The promotional campaign moreover, will be so timed that massive promotion will be intensified only after an assurance is made that ORS products are already widely available.

Given the importance of mass media promotions to stimulate the demand for ORT and given its level of support provided under this project, the services of media experts will be utilized extensively in the implementation of the public promotions strategy. The MOH,

however, has expressed preference to utilize the services of local public relations firms because of the abundance of expertise here and their familiarity with effective promotional strategies in the Philippine setting.

5. Program Staff Support

While project implementation activities for the ORT component will be undertaken by existing units of the MOH, the project will assist in institutionalizing the program for the long term by creating a Program Monitoring Staff for ORT. The people who will compose the Program Monitoring Staff will be recruited from the existing personnel complement of the MOH, but they will be detailed to the Office of the Director of the Bureau of Health Services (BHS). Whenever necessary, the Program Monitoring Staff will be supplemented with contract personnel. They will provide staff support to the BHS Director in the coordination, management and monitoring of the various activities to be undertaken in the ORT program of the MOH.

Salaries of the Program Monitoring Staff personnel will be underwritten by the MOH, but the project will fund such operational costs as workshops and conferences, office equipment and supplies, communications, and consultant travel, etc. Support for these activities is necessary to catalyze the new ORT program monitoring staff and enable them to carry out the initial organization work necessary to launch the program. The recurrent costs of maintaining the staff will be borne by the MOH.

D. INPUTS

1.	Building renovation, equipment and operational costs of National Rehydration Training Center.	$1,050,000
2.	Production & distribution of newsletters and other scientific information on diarrhea; holding of scientific meetings and conferences.	400,000
3.	Formulation of training curricula, production and distribution of training materials and training aid.	600,000
4.	Production of posters, brochures, funds for TV and radio spots and promotions in newspapers and magazines.	700,000
5.	Procurement of ORS supplies, funds to undertake detailed market feasibility studies.	800,000
6.	Costs of planning conferences and workshops office equipment, communication, consultants travel, etc.	370,000
7.	Cost of project evaluations & data collection support	80,000
	AID Total	$4,000,000
	GOP Total	3,000,000
	Grand Total	$7,000,000

IV. Relationship to Other Projects and Other Activities in the Sector

The relationship of the PHC Financing Project to other activities in the sector has been described in the Project Paper. The ORT program simply fits in as an additional component which receives special emphasis by virtue of this amendment to the Project. The development of this component of the overall project has had a uniquely intensive element of collaboration with other donors that is worth describing here.

From the very beginning, the ORT project development efforts have been undertaken in collaboration with UNICEF, WHO, a local PATH affiliate, USAID and the Ministry of Health. Representatives of each of these organizations met to plan the PRITECH-funded ORT Country Assessment and have participated to varying degrees in the design of the ORT component of the Project.

In addition to the design work, the organizations are contributing to the national CDD program in ways that emphasize the institutional strengths

and expertise of each. WHO is involved in funding a CDD program review scheduled for 1985 and functions as the primary source of technical information and publications on ORT and CDD. UNICEF is playing an increasingly major role in helping promote and refine the technology of home-mixed oral rehydration solutions and has, on an emergency basis, facilitated the procurement of anhydrous glucose for the MOH ORESOL production program when it was encountering foreign exchange difficulties. Kabalikat, the local PATH affiliate, has had a long history of asisting the MOH with ORT related research and the development of educational and promotional materials. Kabalikat is also conducting a variety of pre-implementation studies for USAID which will feed into the ORT activities described in this paper. The Mission views the collaborative work that has been carried out in the ORT field as exemplary of how a variety of donors and host country institutions should inter-relate in development efforts in general.

V. Implementation Plan

A. Administrative Arrangements and Analysis

The ORT activity will be a part of the service delivery support component of the PHC Financing Project, and will follow the general administrative arrangements discussed in the Project Paper.

The ORT component will be one of the major activities of the MOH CDD program. As described earlier in this PP Supplement, the CDD program's objectives are to reduce mortality and morbidity from diarrheal diseases. Morbidity reduction interventions include environmental sanitation activities such as the promotion of sanitary excreta disposal facilities and safe and adequate water supplies, maternal and child health, nutrition, disease surveillance and health education programs. Promotion of ORT use is the principal activity to reduce mortality from diarrheal diseases.

In implementing the ORT component, the MOH will utilize the same administrative and organizational arrangements that it has adopted since the initiation of the CDD program in 1980. Under this system, a CDD Committee formulates program policies and directions, and implementation responsibilities are shared among the pertinent units within the Ministry.

The CDD Committee is chaired by the Health Minister and includes the directors of the Bureau of Health Services, Bureau of Research and Laboratories, Bureau of Medical Services, Health Education and Manpower Development Services, Planning Service, National Nutrition Service, Research Institute of Tropical Medicine and the San Lazaro Hospital. It establishes priorities, approves program plans, and sets program implementation policies. Providing backstop support to the Committee is a CDD Task Force, composed of representatives from the various offices represented in the CDD Committee. It translates policies into operational guidelines and provides staff assistance to the Committee.

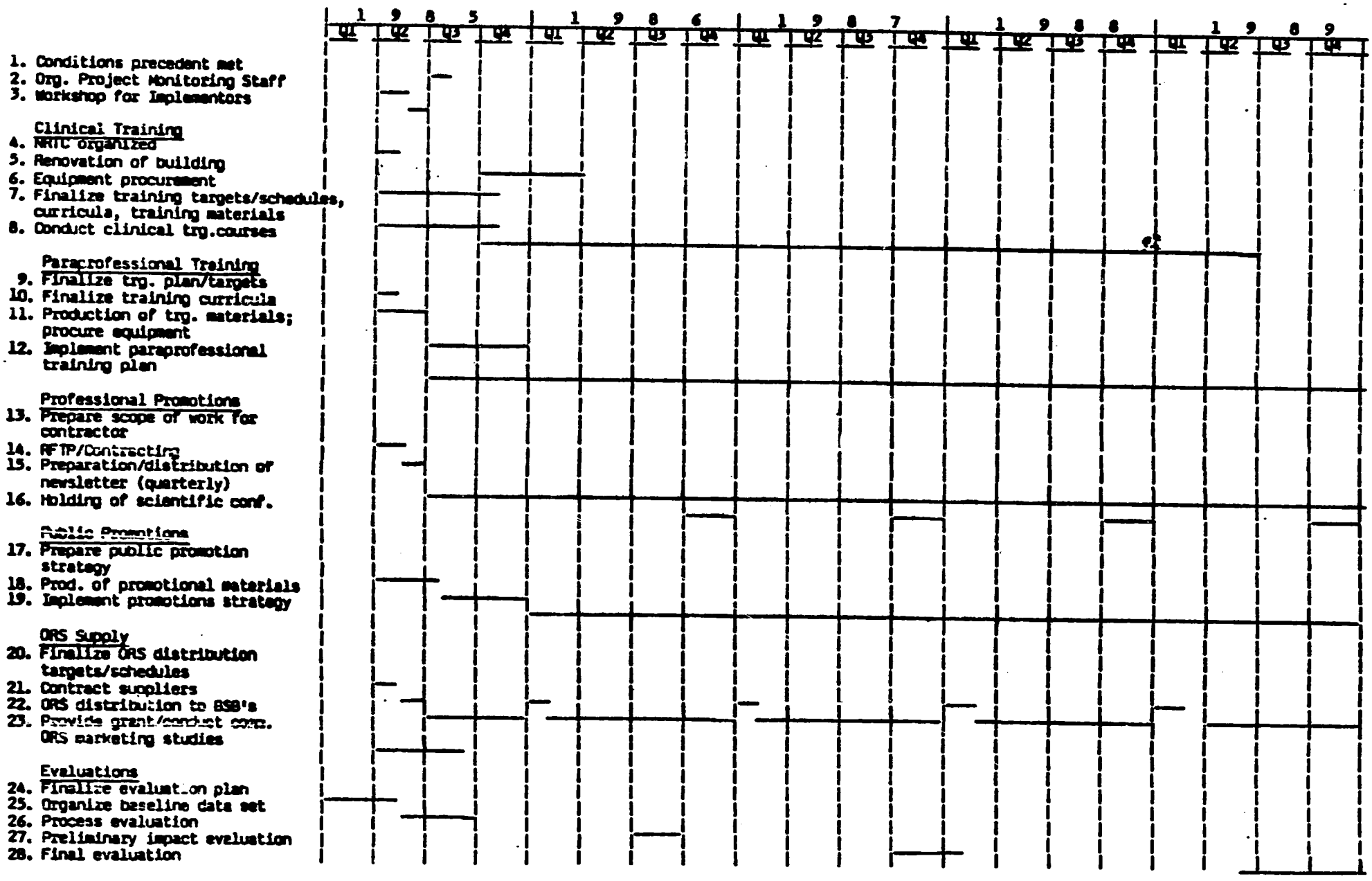
The Bureau of Health Services (BHS) will coordinate all ORT implementation activities, and the BHS Director will serve as the Coordinator of the ORT component of the PHC Financing Project. She will delegate the implementation of the various ORT program activities to the pertinent units and offices of the Ministry. Thus, the organization and management of the NRTC will be the responsibility of the San Lazaro Hospital, Health Education and Manpower Development Services (HEMDS) will be responsible for the IEC and paraprofessional training components, the Bureau of Research and Laboratories will assure the continuous supply of ORS requirements of the Ministry, and the planning service will be responsible for evaluations. Contractors will undertake activities that are not routinely performed by the Ministry of Health such as the preparation of a newletter and the organization of annual scientific meetings.

To enable the BHS to coordinate and manage effectively the various ORT implementation activities, a full-time program monitoring staff will be detailed to it. The monitoring staff will be headed by an ORT specialist, and will include coordinators for training and IEC activities, and administrative concerns. The members of the monitoring staff will come from the existing personnel complement of the Ministry of Health, but they will be assigned to the BHS. Its main role is to closely monitor the implementation of ORT program activities undertaken by the various units of the MOH, to ensure that targets are met adequately and in a timely fashion, and to ensure that the units concerned are provided with the needed resources to enable them to perform assigned responsibilities. As recommended by the Assessment Report, the Program Monitoring Staff will be responsible for establishing annual implementation plans with specified targets, and coordinate the many issues related to ORS supply, promotion, training, IEC activities, information system, monitoring and evaluation.

There is adequate assurance that the proposed implementation arrangement is feasible because it will follow basically the same system that the MOH has observed in implementing its ORT program. The only innovation is the detailing of a full-time support staff to manage and coordinate ORT program activities, the lack of which has been noted by the Assessment Report as a weakness of the current program. ORT has enjoyed the strong support of the Minister of Health, as manifested by his participation in the 1983 ICORT meeting and active involvement during the program assessment and the planning of this project component. The CDD program is a top priority under the current five year development plan, and is thus assured of MOH support throughout the project's life and beyond.

The inclusion of an additional service delivery component onto the PHC Financing project will increase USAID's project management workload. Currently one US direct hire staff member has overall responsibility for the project. She is assisted by a Personal Services Contractor who works full time on project management activities. The ORT component of the project will be managed by an FSN Public Health Advisor who will now have the time to

Implementation Schedule
(General Activities)



assume this responsibility because of lesser PUSH project management responsibilities. We estimate that the ORT component will require about 40 percent of the Public Health Advisor's time in the first two years and less thereafter.

USAID has also planned for the two new projects to be obligated in 1986: Technology Development for Primary Health Care and a follow-on population project to the current Population Planning III. The FSN Public Health advisor will have responsibility for leading the design and later managing the Technology Development for PHC project. The Mission does not anticipate this design or implementation to be as staff intensive as other projects have been largely because of the capabilities of the host country institution we are working with. The new population project will be designed by FSN and direct hire population staff in USAID.

B. Detailed Implementation Schedule

The signing of the Project Agreement Amendment will signal the formal start of implementation of the ORT component. Assuming that implementation activities will start in April, 1985, as is being planned, the ORT component will have a total implementat on time of 57 months (through December 31, 1989). This is considered adequate to accomplish the planned targets and achieve the purpose of the project.

Immediately after the signing of the Project Agreement Amendment, the MOH will issue a ministry circular designating the BHS as the coordinating office for the ORT component, formally constituting the Program Monitoring Staff (PMS), and defining its composition, duties and responsibilities. The same ministry circular will also define the functions and responsibilities of the various MOH units participating in the implementation of the ORT program.

Once formally constituted, the first activity of the PMS is to organize a workshop to be participated in by regional health directors and the chiefs of offices which have major implementation functions. During this workshop, the participants will be thoroughly briefed on the project concept and its goals and objectives. The participants will agree on the general implementation plan, the system of operation to be followed and the responsibilities and interrelationships of the various implementing units. The PMS will likewise reach agreement with the implementors on the system and procedures to be followed in monitoring and coordination of program implementation activities.

The first three quarters in the implementation schedule will be devoted to organizational and preparatory activities (see implementation schedule on following page). This includes renovating the training wing and equipping the gastroentorology ward of the San Lazaro Hospital to enable it to conduct clinical training courses, the preparation of curricula and training materials for clinical and paraprofessional training, the formulation of a comprehensive strategy for the public promotion of ORT, and the contracting of

the appropriate agency to manage the promotion of ORT among medical professionals. During this period, a schedule for the procurement and distribution of commercial ORS products to Botica sa Barangays will be developed, and negotiations with suppliers will be undertaken. The Drug Manufacturers Association will be provided with a grant to undertake detailed market feasibility studies for commercial ORS products.

The rest of the project life will be devoted to the conduct of clinical training courses, distribution of commercial ORS supplies to BSB's and the implementation of the various strategies for the promotion of ORT among professionals, paraprofessionals and the lay public.

C. Financial Plan and Analysis

The accomplishment of the planned outputs will require a total funding of $7 million over almost five years. AID will finance $4 million (57%), while the GOP will contribute $3 million (43%) of the total budget.

1. AID Project Budget

The ORT component of the PHCF project will require a total funding input of $4 million from AID over the life of the project. This amount, which will all be in grant, will be in addition to the $12 million that has already been authorized for PHCF. The $4 million add-on grant will be obligated in FY 1985.

The major activities of the ORT component and their estimated costs to AID are:

1. Support for Commercialization of ORS	-	
a. Procurement of ORS products		$ 750,000
b. Grant to Phil. Drug Manufacturers Association		50,000
2. National Rehydration Training Center		
a. Renovations & Equipment	-	300,000
b. Training & Operations	-	750,000
3. Professional Promotions		
a. Dissem. of Prof. Lit.	-	240,000
b. Scientific meetings	-	160,000
4. Paraprofeesional Promotions	-	600,000
5. I E C	-	700,000
6. Program Staff Support	-	370,000
7. Evaluations	-	80,000
Total		$4,000,000

2. Government of the Philippines (GOP) Contributions

The GOP contribution to the ORT component of PHCF will total $3 million. The GOP funds will cover the cost of producing and distributing ORESOL packets, procurement of commercial ORS products, salaries of personnel who will be involved in program implementation and production of IEC materials. The GOP contribution will amount to 43% of the total budget needed for the ORT component, more than satisfying the statutory requirements for counterpart share.

3. Financial Management of the Project

The implementation of the ORT component will follow the same general financial management methods described in the PHCF Project Paper. However, while the reimbursement mechanism is desired, it is likely that direct payment to local suppliers of goods and services by USAID will be the main disbursement mode for the first year. GOP regulations require that even cash grants can be spent only after they have been included in the GOP annual appropriation. Since the Project Amendment is expected to be signed in March 1985, long after the FY 1985 budget has been finalized, it will be difficult for the MOH to obtain an appropriation for use of grant funds in 1985. Thus, at least for CY 1985, USAID will be disbursing its assistance through direct local currency payments to suppliers of goods and services. In the succeeding years, the project budget will have to be included in the annual appropriations so that the AID contribution to this component can be disbursed on an advance/reimbursement basis, which is the disbursement mode of preference.

D. Commodity Procurement Plan

The ORT component will adopt exactly the same commodity procurement plan as described in the PHCF Project Paper. The detailed implementation plan, which the MOH will submit to USAID as a CP to the first disbursement, will include a list of commodities to be procured. These will be ordered very early in the project, for delivery in late 1985.

E. Planned Audit Coverage

USAID evaluated the potential risks and the areas of vulnerability given the payment procedures and the existing GOP audit system and concluded that the special audit procedures called for by Policy Statement No. 6, outlined in State 263872 of September 5, 1984 are unwarranted for this project paper supplement.

As explained earlier, USAID will make direct payments to suppliers and contractors under this supplement in the first year, while an advance/liquidation mechanism will be developed for later years once the project has been included in the GOP budget (Annual Appropriation Act). Accordingly, all payments will be audited by USAID. Furthermore, payments will be subject to audit by the GOP's Commission on Audit (COA), since COA verification will be integrated into the advance/liquidation procedure. In the light of the above, Mission is of the opinion that USAID's vulnerability under this project is very limited, and as stated above, believes that audit coverage called for by Policy Statement No. 6 is unwarranted, and therefore concludes that project funds should not be set aside for this purpose. However, should an unanticipated critical need emerge during project implementation, we will use the guidelines enumerated in State 263872 to request such assistance.

VI. Project Specific Analysis

A. Technical Analysis

This analysis will focus on: a) providing the technical rationale for addressing diarrheal diseases as a developmental problem and the choice of ORT as the intervention of preference, and b) establishing the technical feasibility of the major activities to be undertaken under this project component in order to accomplish the project purpose of promoting the widespread use of ORT.

The Problem Analysis Section of this PP Supplement describes the magnitude of the diarrhea problem in the Philippines. For the past 20 years, diarrhea has consistently been the second to fourth leading cause of morbidity and mortality. Among children five years old and below, it is the second leading cause of mortality and morbidity. Five of ten diarrhea cases occur among children in this age group, which also accounts for 70% of all diarrhea deaths. Diarrhea is likewise the third leading cause of infant mortality.

Given the above statistics, reduction of diarrhea mortality becomes an effective and rational strategy to accomplish the PHN sector goal of reducing infant and young child mortality. Addressing the diarrhea morbidity problem frontally will take a longer time to accomplish as this will necessitate improvements in the environment, education and general socio-economic conditions.

There are a variety of ways to deal with a diarrhea case, the most conventional (and currently still popular) of which are anti-diarrheal preparations, antibiotics and intravenous fluid therapy. Diarrheal deaths occur as a result of massive fluid and electrolyte loss; thus, modern diarrhea management is always geared towards the correction of the fluid and electrolyte imbalance. An oral rehydration solution containing 20 grams glucose, 3.5 grams Sodium Chloride, 2.5 grams Sodium bicarbonate (or 2.9 grams trisodium citrate) and 1.5 grams potassium chloride in a liter of water has

been used for over a decade all over the world and has been proven to be a potent therapeutic tool for acute diarrheas. It can be used in place of intravenous fluid therapy in 80-90% of clinically dehydrated patients. Its scientific basis rests on the fact that glucose-linked enhanced sodium absorption remains largely intact during acute diarrhea of diverse etiology.

In addition to the scientific and physiologic bases that make it a superior therapeutic tool in diarrhea management, the promotion of ORT has a sound economic basis as well. The Philippine experience with the use of ORT has demonstrated that ORT use can reduce the hospitalization rate for diarrhea cases by as much as 80%, and thus, will drastically reduce the cost of diarrhea management. The economic impact is significant considering that in this country, diarrhea is the number one cause of hospital admission, and that up to a third of pediatric hospital beds are occupied by diarrhea cases.

The strategy that this project has chosen to promote the widespread adoption of ORT is based on the interaction of the market forces of demand stimulation and assuring adequate supplies of ORS. Demand stimulation is to be achieved through a massive promotional effort directed to physicians and paraprofessionals, and to the consuming public. Maintaining a continuous and adequate supply, on the other hand, will be assured by gradually supplementing the MOH production and distribution efforts with the commercialization of ORS products. This strategy is not only technically feasible but also desirable, as experienced in Honduras and the Gambia.

Commercialization is particularly attractive because in addition to making ORS products available everywhere and at all times, product advertising will greatly enhance the project's ORT promotion campaign. A major local drug manufacturer has developed an ORS tablet product which will be marketed initially through the Botica sa Barangay network of the Ministry of Health. This is a significant development, and the remaining challenge is to provide the proper incentives to broaden the market outlets of this product.

The Engineering Unit at the San Lazaro Hospital (SLH) has developed the plans and specifications for the renovation of one wing of the hospital which will house the National Rehydration Training Center (see Annex F). Actual renovation will be undertaken by a private contractor which will be selected by MOH through public bidding. USAID will participate as an observer in the selection of the contractor and the negotiation of the contract, to ensure that prescribed bidding and contracting procedures are adhered to. The SLH Engineering Unit, which has a qualified engineer in its staff, will supervise the construction on a day-to-day basis. An engineer from the USAID Office of Capital Development will monitor periodically the progress of the construction, and his reports will form the basis for certifying payments by USAID to the contractor.

B. Social Soundness Analysis

Over the past five years the Ministry of Health has been promoting ORT as the primary therapy for diarrheal diseases with instructions to village level health workers that complicated cases or those which do not improve spontaneously be referred to the next higher level in the health system for diagnosis and treatment. The technical merits of ORT as a therapy for diarrhea and the main problems with the current program have been reviewed earlier in this paper. In the following section, the social soundness of the ORT program will be examined including an estimate of the project beneficiaries, the social and cultural acceptability of the intervention and the spread effects that are likely to occur.

Project Beneficiaries

Estimates suggest that up to 25 million cases of diarrhea occur annually among infants and young children, of which more than two-thirds are never reported in health statistics. In fact, diarrhea ranks second to pneumonia as an infant killer and either first or second among the leading causes of morbidity in the country. Thus the potential primary beneficiaries of the ORT project are the roughly 8 million Filipinos below the age of 5 who are more vulnerable to the effects of diarrheal diseases. Indirectly, the households to which those afflicted belong will benefit. Not only will medical expenses decrease, but the use of oral rehydration at an early stage may also shorten the duration of the disease. This in turn will free other members of the household from attending to the sick and devote more time to productive activities.

On the other hand, given greater awareness of the value of ORT among medical professionals and the general public, it is possible that this would cause decreased use of conventional medications to combat diarrhea. As a result, we can expect reduced sales of anti-diarrheal drugs. To an extent, the drug industries' proposed participation in the production of appropriate ORT preparations will lessen the impact of the decrease in sales of more conventional anti-diarrheal drugs.

Sociocultural Compatibility

The important questions related to the cultural acceptability of ORT are: Is there a cultural reason why people are not practicing ORT widely already? If ORT is readily available and properly promoted by credible individuals, will people practice it more widely than they do now? Are people likely to value it as a therapy enough to buy ORT products much as they do anti-diarrheals?

Cultural acceptability of ORT does not appear to be a major problem among the people who have received their supplies from MOH hospitals and clinics. The major constraint identified by the recent assessment report was the inadequacy of the distribution system and the non-availability of the ORT

product for large numbers of people. In 1983, a study was conducted by a local PVO (Kabalikat) to evaluate the effects of packaging of and informational pamphlets on ORESOL. Knowledge about and attitudes toward diarrhea and ORESOL were examined carefully in control groups and among those exposed to the new material. The results provide interesting information related to the acceptability of ORT. (1) 30% of the 300 mothers interviewed use home-made remedies for diarrhea which are for the most part fluids of various kinds (coconut water, rice water, tea, etc.). (2) A majority of the respondents recognized the dangers of diarrhea but were generally not seeking medical help until after the second day of illness. Of those who had heard about ORESOL almost one half had actually used it and the majority claimed that it was effective in "halting the diarrhea". The report mentions that reluctance to practice ORT was related to non-support from medical practitioners and lack of awareness on the part of the mothers about the dangers of dehydration. The results of the post-test on the control vs experimental groups (which were exposed to the pamphlets and packaging material for ORESOL) were encouraging. The material was effective in improving the mother's ability to mix the solution without making mistakes and in changing certain ideas about breastfeeding and continuing normal diets during diarrheal episodes.

Studies of this kind provide reasons to be optimistic that the effect of a mass media campaign and an effort to get the medical profession more actively promoting ORT in conjunction with making ORT products more readily available will dramatically increase their usage.

Previous studies of health seeking behavior and the demand for certain kinds of health services and products in the Philippines has demonstrated that physicians in general are an extremely important source of health information for most people. Even when people do not have direct contact with the physician for every episode of illness, they will buy the same drugs over-the-counter that were prescribed during previous consultations or buy drugs that have been prescribed or recommended by a physician to a neighbor or relative. Although rural people do seek a variety of different kinds of practitioners for different illnesses, doctors enjoy great credibility in most parts of the country. The ORT country assessment report identified the importance in the Philippines of convincing physicians to prescribe ORT as a way of inducing behavioral change among the people.

Spread Effects

A review of the major components of the proposed project clearly shows that it is a marketing project. Improved production and distribution systems; promotional campaigns targetted at field implementors (the medical professionals); and information campaigns, designed to bring about attitudinal changes among prescribers and users alike indicate the strategy the project will take. As such it is designed primarily for the purpose of dispersing the beneficial effects of ORT as widely as possible. As a matter of fact, the potential for spreading the project's effects beyond the project life is

enhanced by the campaign to change user and prescriber attitudes towards traditional interventions to diarrheal diseases.

Social Soundness Statement

A review of the proposed project's plans and activities points out a number of characteristics germaine to social soundness. First, the project responds to an obvious social need; second, it is designed with current MOH experience as a guide, showing that ORT is in fact an effective treatment for diarrheal diseases; third, it attempts to correct inadequacies in the MOH program; and finally, its general implementation strategy is designed to achieve better immediate acceptance and enhance its long term sustainability. Thus, although the project may have some disadvantages for multinationals engaged in the production of conventional anti-diarrheal drugs and intravenous fluids, nonetheless, the potential benefits for the broader society far outweigh these disadvantages. We, therefore, conclude that the project, as designed, is socially sound.

C. Economic Analysis

The ORT Project supports the Mission's health sector goal to help reduce the infant and child mortality rates in the Philippines. The economic rationale for this Project is thus directly related to the economic benefits to be gained from a nationwide reduction in diarrhea-caused infant and early childhood deaths and morbidity, as well as from the expected significant decreases in the treatment cost of diarrheal cases. However, considering the normal difficulty of quantifying economic benefits of health-related projects with any degree of accuracy, a conventional benefit-cost analysis is not undertaken for this Project. Instead, this economic analysis focusses mainly on two aspects of project economic feasibility: (1.) the cost-effectiveness of ORT vis-a-vis the more common mode for treating diarrheal diseases; and (2.) an alternative economic assessment to determine what the Project has to achieve to yield an economic rate of return commensurate to the investments involved.

1. Cost-effectiveness of ORT

This Project's cost-effectiveness (CE) can be conceptually demonstrated by relating the costs of ORT activities to the health benefits it generates (i.e., CE = cost of activities/ health effects of activities). Generally, the corresponding cost of the ORT activity is compared with the cost of treating diarrheal diseases in a given population before instituting ORT activities. The health effects are the number of diarrhea-associated deaths averted in the area before and after ORT activities. Thus the important indicator of cost-effectiveness is the cost of death averted. The lower the amount, the better is the activity since it results in greater health benefits per unit of expenditure.

Considering that the GOP's ORT Program has been promoted only in recent years, there is still a dearth of good data to adequately measure the CE of ORT activities as discussed above. Nevertheless, the records of the San Lazaro Hospital Gastroentorology Ward (SLHGW) provide useful information with which to reasonably gauge the CE impact of a hospital-based ORT program in the Philippines. Prior to the establishment of the ORT center at the SLHGW in 1982, all diarrhea cases for admission were treated at the ward. With the ORT center in place, the cases were screened at the unit, and only the severe, complicated cases were referred to the regular ward. All other cases were treated at the ORT center with ORESOL only.

The SLHGW admitted some 9,878 in 1981 requiring or involving intravenous fluid (IVF or dextrose) treatments and a limited use of ORT. There were 118 deaths reported but there were an estimated 40 deaths averted due to the treatments (See Table below). In 1982 and with the ORT unit already in place, there were a total of 11,108 cases treated at the SLHGW. Of this number, only about 50% of the cases were admitted to the ward while the rest were treated at the ORT center only. There were 53 actual deaths and an estimated 125 deaths averted during this period. Despite the additional costs incurred for establishing the ORT center, the results of the hospital's ORT program included a much lower estimated cost per death averted of ₱ 2,549 in 1982 compared to the previous year's ₱ 9,555. Similarly, the estimated average treatment cost per actual death and death averted declined by 26% from ₱2,419 in 1981 to ₱1,790 in 1982 with the presence of an ORT unit.

Moreover, in spite of the greater number of cases treated, there has been a significant reduction in the total cost of fluids for diarrhea treatment at the SLHGW with the establishment of the ORT unit . Average cost of fluid therapy per diarrhea case treated dropped from ₱38.69 in 1981 to only ₱10.81 in 1982 or 3.5 times less due to the increased use of ORESOL over the more expensive IVF and to the lower effective cost of treating patients (an estimated average of ₱5.40 per case) at the ORT unit. If the cost for establishing the ORT unit is included, the average cost per patient treated at SLHGW was still lower by some 25% (i.e., from ₱38.69 in 1981 to ₱28.68 in 1982). This margin represents savings arising from greater ORS use and demonstrates that ORT offers the least-cost alternative for diarrhea treatment. Likewise, while the use of ORS alone may not reduce the diarrhea morbidity, it can significantly change the patterns of deaths resulting from diarrhea.

Comparative Cost-Effectiveness of
Diarrhea Treatment Before and After The
Establishment of the ORT Center, San Lazaro Hospital

		1981 (Before ORT Unit)	1982 (With ORT Unit)
A.	No. of Patients Treated	9,878	11,108
B.	Deaths	118	53
C.	Cost of Fluid Therapy (₱) 1/	382,223	120,103
D.	Average Cost Per Patient Treated (₱)	38.69	10.81
E.	Estimated Deaths Averted 2/	40	125
F.	Estimated Cost of ORT Unit Establishment(₱) 3/	-0-	198,500
G.	Cost-Effectiveness Measures		
	1) Estimated Total Cost Per Death Averted (₱) 4/	9,555	2,549
	2) Estimated Cost Per Actual Deaths & Death Averted(₱) 5/	2,419	1,790
	3) Estimated Average Cost Per Patient Treated (₱) 6/	38.69	28.68

1/ Total cost of fluids (IV and ORESOL) and sets at the SLHGW

2/ Based on the historial (1972-80) annual average of 1.6% mortality rate of total diarrhea incidence treated at the SLHGW.

3/ Includes annual salaries of full-time staff for the ORT unit plus estimated annualized cost of equipments, furnitures and fixtures, and other expenses incurred.

4/ (C + F) - E

5/ (C + F) - (B + E)

6/ (C + F) - A

Source of Basic Information: San Lazaro Hospital

2. Alternative Economic Rate of Return Analysis

As discussed above, a major and direct economic gain by society from the Project is derived from the expected savings on the treatment cost of diarrhea diseases. Its impact is reflected in the reduction in diarrhea-related health expenditures of households and the government which is then a basis for determining the economic worth of the Project. Using the potential savings in expenditures as the quantifiable economic benefits accruing from the Project, an "alternative" approach shows with an acceptable degree of confidence that this Project could achieve a reasonable economic rate of return on the investment. This analysis uses the NEDA-recommended social discount rate of 15% in the Philippines to represent the minimum necessary rate of return, and working backwards, determine what economic impact the Project should achieve to justify the investment. The reasonableness of achieving that impact can then be examined in the light of present and prospective scenarios.

Several simplifying assumptions are necessary to do this: (1) the Project funds are disbursed annually over five years in real 1985 dollar values in the following manner ($1.19 million of the total Project budget of $7.0) million are accounted by a 10% annual inflation): 1985: 1.45 million; 1986: 1.38; 1987: 1.33; 1988: 0.97; 1989: 0.68; (2) economic returns over a 20-year period will flow evenly for each dollar invested; and (3) the difference in the beneficiaries average real expenditures for diarrhea treatment represents the savings as a result of ORT use.

On the basis of a 15% social value of capital, the Project must then be achieving at least an annual economic return valued at $1.61 million or ₱33.8 million (based on average exchange rate of ₱20=$1)at 1985 prices by 1990. This implies that the beneficiaries will have to gain economic benefits equivalent to this amount yearly as a result of the Project. Otherwise, the Project resources would be better invested in some alternative scheme.

Data on average household expenditures for diarrhea treatment is not presently available. However, two previous studies done in Isabela (1982) and Iloilo (1983) indicate that the mean annual expenditures of rural households for diarrhea illness of children 5 years or below range from about ₱65 to ₱90 at 1985 prices. These estimated expenditure figures include costs for hospitalizations and doctor fees which are recognized to be significant factors in the treatment cost of diarrhea disease. Estimated total expenditures for diarrhea treatment for infants and children can thus reach ₱565 million to ₱780 million in 1985, with rural households accounting for between ₱360-₱500 million. A 25% reduction in diarrhea treatment expenses of 70% of the country's households (i.e., the end-of-Project target output of households using ORT) as a result of the Project's extensive promotion of ORT and the widespread availability of ORS in rural areas would mean at least ₱90 million savings in total household diarrhea-treatment related expenditures, or nearly 3 times more than the ₱34 million required for a commensurate return on the investment. More importantly, ORT education among households would allow

earlier, effective treatment of diarrhea in children that could prevent serious dehydration and subsequent hospitalization or even death. It is noted that there was almost a 25% reduction in the treatment cost of diarrhea patients at the San Lazaro Hospital as a result of its ORT program.

However, even if the Project is only able to cover 50% of its target beneficiaries (i.e., only 52% of total households would be using ORT from the present 33%), a 25% reduction in diarrhea treatment expenditures of these households would still yield at least ₱73 million savings, still well above the minimum acceptable return on Project investments. Further, the benefits from the ORT Project include non-quantifiable policy improvements in stimulating greater private sector participation in the production, marketing and distribution of oral rehydration treatment, and thereby effectively decreasing the recurrent cost burden of the GOP's Ministry of Health program to reduce diarrhea deaths among infants and young children.

D. Administrative Analysis

The administrative analysis is incorporated into Part VI - Implementation plan, Section A - Administrative Arrangements and Analysis. That Section discusses the administrative feasibility of the project and the administrative capability of the MOH to implement it.

VII. Evaluation Plan

A final evaluation will be undertaken towards the end of the project to measure the impact of ORT use on diarrhea mortality in young children. Using the log frame as the reference framework, the evaluation will also seek to identify the key factors responsible for goal achievement or non-achievement.

A CDD program review, conducted in January, 1985 jointly by the MOH, WHO, USAID and UNICEF generated substantial information on diarrheal disease morbidity and mortality, extent of familiarity with and use of ORESOL among mothers, diarrhea case management by physicians, and ORS availability. The data generated by this review will be used as benchmark against which to measure the ORT project performance. The cluster sampling technique, which was successfully tested during the review, will be employed in the collection of field data on diarrhea incidence and mortality, and ORS use.

Aside from the final evaluation, a process evaluation will be undertaken in mid-1986 to assess the quality and pace of project implementation. The results of this evaluation will serve as the basis for making necessary adjustments in the implementation strategy and plan. A preliminary impact evaluation will be undertaken in late 1987, which will attempt to measure the impact of the project at its midpoint. At the same time, the experience willserve to guide the conduct of the final project evaluation.

The MOH Planning Service will be the office responsible for the various evaluation activities of the ORT project. It will prepare evaluation plans,

organize baseline data sets, collect and store needed data periodically, organize evaluation teams and finalize evaluation reports. A joint team composed of representatives from MOH, USAID, WHO and UNICEF will undertake the process, preliminary impact and final evaluations, with the Evaluation Unit of the Planning Service serving as the secretariat.

An evaluation plan will form part of the implementation plan which the MOH will submit to USAID as a CP prior to the first disbursement of the grant. The document will provide a more detailed description of baseline data collection and organization activities, and the scheduling and manner of conduct of the various evaluation activities being planned.

In addition to the formal evaluations described above, each major project component will have its own built-in evaluation activities. The NRTC will periodically evaluate the conduct of its clinical training courses in order to achieve an optimum degree of effectiveness and efficiency. Periodic evaluations will also be undertaken on the promotion of ORT among professionals, paraprofessionals and the lay public, for purposes of further refining implementation strategies.

VIII. Conditions and Negotiating Status

A. Conditions Precedent to First Disbursement

Prior to the disbursement of A.I.D. assistance for the ORT Component, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Cooperating Country, except as A.I.D. may otherwise agree in writing, will furnish to A.I.D. in form and substance satisfactory to A.I.D.:

1. A copy of a detailed implementation plan which specifies the sequence of activities, the responsibilities and interrelationships of the various MOH units involved in project implementation, and the mechanics of disbursing project funds.

2. A copy of a Ministry Order (a) designating the Bureau of Health Services (BHS) as the coordinating office of the ORT project, with the BHS Director as ex-officio Project Coordinator; (b) constituting an ORT Progam Monitoring Staff attached to the office of the BHS Director, defining its composition and stating its duties and responsibilities; (c) formally designating the implementation functions and responsibilities of the various MOH offices participating in the implementation of the ORT project.

B. Negotiating Status

This project was designed jointly by MOH and USAID. A special MOH planning task force was organized to work with USAID on the design of the project and the specification of its components. The bases for the project

design were the findings and recommendations of the ORT Program Assessment conducted by the MOH, PRITECH, and USAID. A later review of the CDD program conducted by MOH, WHO, USAID and UNICEF identified similar problems in the national ORT program and submitted a similar set of recommendations. The findings and recommendations of both reviews have been discussed with, and have been accepted by the Minister of Health.

The Minister was constantly consulted as the planning for this project progressed, and he constributed substantial inputs into the design process. The final project design is a reflection of the kind of assistance that the Philippine Government feels it needs in order to promote ORT use more widely and reduce diarrhea deaths.

Given the rationale and bases of the project and the manner by which it was designed, we anticipate no difficulties in concluding an agreement as soon as this project is authorized.

ACT: AID-6 INFO: AMB DCM ECON ADB CHRON/10 //TWT//

Annex "A"

/ZCZCMLO292
PP RUEHML
DE RUEHC #6725 0460110
ZNR UUUUU ZZH
P 150107Z FEB 85
FM SECSTATE WASHDC
TO AMEMBASSY MANILA PRIORITY 4475
BT
UNCLAS STATE 046725

LOC: 33 657
15 FEB 85 0110
CN: 03844
CHRG: AID
DIST: AID

AIDAC

E.O. 12356: N/A
TAGS:
SUBJECT: PRIMARY HEALTH CARE FINANCING (PHCF) - ORAL REHYDRATION THERAPY (ORT) AMENDMENT - (492-0371)

REFERENCE: MANILA 00134

1. SUBJECT TO GUIDANCE BELOW, AA/ASIA APPROVES MISSION REQUEST TO AMEND AUTHORIZATION AND PP TO ADD FOUR MILLION DOLLAR ORT COMPONENT TO PHCF PROJECT.

2. WE WERE VERY IMPRESSED WITH GENERAL THRUST OF NEW ORT EFFORT WHICH IS RESPONSIVE TO AGENCY PRIORPTY. ORT COMPONENT DESIGNERS HAVE A WELL CONSIDERED PROJECT AMENDMENT WHICH ADDRESSES KEY DEVELOPMENT CONCERN OF DIARRHEAL DISEASE MORTALITY.

3. WE ASK THAT THE PP AMENDMENT ADDRESS THE FOLLOWING CONCERNS.

- A. RECURRENT COSTS -- INCLUDING COSTS OF PROCURING ORS, OF TRAINING MINISTRY OF HEALTH PERSONNEL AND OF THE NATIONAL REHYDRATION TRAINING CENTER -- MUST BE COVERED FROM GOP FUNDS BY THE END OF THE PROJECT. YOU SHOULD PROVIDE FOR INCLUSION OF THESE COSTS IN REGULAR MOH BUDGET AS EARLY IN PROJECT LIFE AS POSSIBLE. IF NECESSARY UNDER PRESENT CRISIS, GOP FUNDING OF THESE COSTS COULD BE PHASED IN OVER PROJECT LIFE.

- B. THE EFFECTIVENESS OF INCENTIVES TO THE PRIVATE SECTOR TO MARKET ORS FOR MASS CONSUMPTION SHOULD BE CLARIFIED. THE PROPOSED SUBSIDY OR GUARANTEE OF A MOH MARKET FOR ORS MADE BY PRIVATE SECTOR MAY ONLY PROVIDE AN INCENTIVE TO MANUFACTURE ORS BUT NOT TO LAUNCH A MASS MARKET ADVERTISING AND DISTRIBUTION CAMPAIGN (WHICH WILL PROBABLY INVOLVE MORE ENTREPRENEURAL RISK THAN SIMPLE MANUFACTURE FOR A SAFE GOP MARKET). IN THE WORST CASE, PURCHASE FOR FREE OR SUBSIDIZED DISTRIBUTION OF ORS BY THE MOH COULD BE A DISINCENTIVE TO PRIVATE SECTOR INVESTMENT IN THE COST OF A COMPETING MASS MARKETING EFFORT. FINAL DESIGN SHOULD ASSURE THAT INCENTIVES/GUARANTEES ARE CONDUCIVE TO PRIVATE MASS MARKETING, NOT SIMPLY MANUFACTURING.

DIV	ACTION	INFO
CD		✓
E		
PE		
RLA		
PO		✓
TD		
EO		
PER		
CSD		
LOG		
GSO		
TRV		
CO		
DHD		
OCD		✓
ORAD	✓	
OPHN	✓	
OFPVC		
RIG/A		
RIG/II		
AR		
DUE DATE		
2-20		

35

- C. DATA COLLECTION FOR BASELINE, MONITORING AND EVALUATION IS ESSENTIAL TO AN EFFECTIVE ORT ACTIVITY. AID/W REVIEWERS NOTED THAT REFTEL IMPLIES THAT DATA ON ORT KNOWLEDGE AND USE AND ON MORTALITY AND MORBIDITY IS NOT ADEQUATE IT IS IMPORTANT THAT ORT USE BE MONITORED PROPERLY. WE SUGGEST THAT IF THIS IS NOT BEING DONE ELSEWHERE, YOU MIGHT INCLUDE DATA COLLECTION SUPPORT UNDER PROJECT AMENDMENT. FOR EXAMPLE, NRTC MIGHT TAKE ON FUNCTION OF DATA COLLECTION BOTH FOR ITS INTERNAL USE AND TO PROVIDE FOR OTHER MONITORING AND EVALUATION NEEDS.

- D. HOW DOES THE NEW ORT COMPONENT FIT WITHIN THE TOTAL MOH DIARRHEAL DISEASE PROGRAM, INCLUDING HOME-BASED ORAL REHYDRATION AND UATER SUPPLY AND SANITATION EFFORTS? PP SHOULD EXPLAIN HOW PROVISION OF ORS AS DESCRIBED IN REFTEL RELATES TO OTHER ELEMENTS OF DIARRHEAL DISEASE CONTROL.

- E. HOW DOES THIS NEW AID ACTIVITY FIT THE EFFORTS OF WHO, UNICEF AND OTHER DONORS? WHAT IS INVOLVEMENT OF OTHER DONORS IN ACTIVITIES PROPOSED UNDER PP AMENDMENT?

- F. WILL THE ORT EFFORT INCLUDE A MEDIA CONSULTANT EITHER ON A LONG TERM BASIS OR AVAILABLE FOR PERIODIC ASSISTANCE OVER THE PROJECT PERIOD? GIVEN IMPORTANCE OF MASS MEDIA MARKETING AND LEVEL OF SUPPORT FOR DEMAND STIMULATION IN PP AMENDMENT, DO YOU ANTICIPATE NEED TO DRAW ON CENTRALLY FUNDED CONTRACTS FOR TA, SUCH AS PRITECH AND ACADEMY FOR EDUCATIONAL DEVELOPMENT?

- G. WILL THE DISTRIBUTION EFFORT REACH ONLY THE PHARMACIES OR WILL AN EFFORT BE MADE FOR DISTRIBUTION THROUGH SARI-SARI STORES (ESPECIALLY BY THE PRIVATE SECTOR)?

- H. CAN TRAINING BE OFFERED ONLY TO MOH PERSONNEL OR WILL PRIVATE SECTOR PERSONNEL ALSO BE TRAINED? IT IS IMPORTANT THAT PRIVATE PROVIDERS OF ORS BE TRAINED TO ENSURE THAT ORS IS BEING PROPERLY USED. SHULTZ
BT
#6725

NNNN

36

Best Available Document

Annex "B"

AID 1330-25 (9-78)

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: PHC FINANCING PROJECT - ORT COMPONENT (492-0371)

Life of Project:
From FY 1985 to FY 1990
Total U.S. Funding $4 million
Date Prepared: February, 1985

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Program or Sector Goal: The broader objective to which this project contributes: (A-1) To reduce mortality from diarrheal diseases among infants and young children.	**Measures of Goal Achievement: (A-2)** Reduction of diarrheal disease mortality among children 5 years old and below from an average of 9/1000 (1985 field survey data) to 4/1000.	**(A-3)** 1. Periodic cluster surveys 2. Data from MOH Health information service 3. MOH control of Diarrheal Disease (CDD) reports.	**Assumptions for achieving goal targets: (A-4)** 1. There is no drastic change in the virulence of the current causative agents of diarrheal diseases. 2. No widespread malnutrition or massive outbreaks of debilitating diseases such as measles will take place, so as to affect the case fatality rate even if adequate rehydration is administered.
Project Purpose: (B-1) Increase the utilization of oral rehydration therapy as a treatment mode for diarrheal disorders. Sub-purposes: 1. Stimulate the demand for ORT by increasing public awareness of the superiority of ORT as a therapeutic tool for diarrhea and by increasing the use & promotion of ORT by medical practitioners; 2. Increase the availability and accessibility of ORS products.	**Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2)** 1. Use of oral rehydration for diarrheal disease management increased from a range of 23 to 33% to 70%. 2. At least 90% of mothers know when & how to use ORT. 3. At least 50% of private medical practitioners prescribe ORS of approved formulation for diarrheal diseases. 4. ORT become a routine treatment protocol at government hospitals and Rural Health Units. 5. ORS products of approved formulation commercially available at BES's, sari-sari stores & pharmacies.	**(B-3)** 1. Periodic cluster surveys 2. CDD reports of MOH 3. Field visits. 4. Sales reports of commercial ORS producers	**Assumptions for achieving purpose: (B-4)** 1. Physicians' convictions on the superiority of ORT for treatment of diarrhea will prevail over whatever financial incentives are offered to prescribe antidiarrheal drugs and intravenous fluid therapy in mild to moderate diarrhea cases. 2. Public promotions efforts will be successful enough to convince mothers that prevention of dehydration is the most critical aspect in the management of diarrhea. 3. Government will remove disincentives to commercialization of ORS products. 4. Commercial drug manufacturers will produce and market ORS products once profitability is established.
Project Outputs: (C-1) 1. Basis for commercial viability of ORS products determined; ORS products procured. 2. Provincial ORT clinical trainers trained. 3. ORT concept promoted among medical professionals 4. Medical paraprofessionals of MOH trained on ORT. 5. ORT concept widely disseminated and promoted to the mass public. 6. Coordination & management of national ORT program institutionalized at MOH.	**Magnitude of outputs: (C-2)** 1. Market feasibility studies for commercialization of ORS conducted; $0.5 million worth of commercial ORS procured for project use. 2. A National Rehydration Training Center established; at least 75 provincial hospital pediatricians and 75 provincial and clinical trainers. 3. At least 5000 active medical practitioners receiving quarterly newsletters on diarrheal disease management; four annual scientific conferences on Diarrheal Disease management organized. 4. At least 2,000 physicians, 5000 nurses & 700 midwives in the MOH system provided with basic knowledge and skills on the use of ORT. 5. Six million households receiving at least one informational leaflet on ORT; ORT promoted in radio, TV, newspaper and magazines. 6. An ORT Program Monitoring Staff organized, staffed, equipped and operational.	**(C-3)** 1. Project monitoring documents. 2. Annual accomplishment reports. 3. Project evaluations.	**Assumptions for achieving outputs: (C-4)** 1. Pediatricians and nurses from provincial hospitals will be made available to undergo clinical training. 2. MOH will continue to emphasize ORT as a preferred treatment mode for diarrhea. 3. Appropriate personnel will be made available by MOH to compose the program monitoring staff. 4. Commercial sector is willing to undertake market feasibility studies to determine the profitability of commercial ORS production.
Project Inputs: (D-1) 1. Building renovation, equipment and operational costs of National Rehydration Training Center. 2. Production & distribution of newsletters & other scientific information on diarrhea; holding of scientific meetings and conferences. 3. Formulation of training curricula, production and distribution of training materials and training aids. 4. Production of posters, brochures, funds for TV and radio spots & promotions in newspaper & magazines. 5. Procurement of ORS supplies, funds to undertake detailed market feasibility studies. 6. Costs of planning conferences & workshops, office supplies, communication, consultants travel, etc. 7. Cost of program evaluations.	**Implementation Target (Type and Quantity) (D-2)** AID Inputs: 1. $1,056,000 2. 400,000 3. 600,000 4. 700,000 5. 800,000 6. 370,000 7. [illegible] AID Total - $4,000,000 GOP Total - 3,000,000 Grand Total $7,000,000	**(D-3)** Project implementation documents.	**Assumptions for providing inputs: (D-4)** 1. CDD program will continue to be a high MOH priority. 2. Seed money will be made available by the Office of Budget and Management to facilitate disbursement of AID funds.

37

Table I

Summary Financial Table (6.5 years)
Primary Health Care Financing Project
($000)

Component	USAID Grant	USAID Loan	USAID Total	GOP MOH	GOP PCHRD	GOP Total	TOTAL (GOP&AID)
1. Financing Schemes	450	2,500	3,000	-	532	532	3,532
a. Grants to Institutions	450	2,050	2,550	-	-		2,550
b. Administrative Costs		450	450	-	532	532	982
2. Special Studies	1,000	150	1,150	-	168	168	1,318
3. Service Delivery	4,500	7,000	11,500	13,200	-	13,200	24,700
a. Botica sa Barangay Program		2,000	2,000	1,000		1,000	3,000
b. BHW/Midwifery Programs		1,600	1,600	3,000		3,000	4,600
c. PHC Commodities	500	2,100	2,600	1,200		1,200	3,800
d. IEC*		1,300	1,300	5,000		5,000	6,300
e. ORT Program**	4,000		4,000	3,000		3,000	7,000
4. Other Support Costs	200	100	300	-	-	-	300
5. Project Evaluations	50		50				50
TOTALS	6,200	9,800	16,000	13,200	700	13,900	29,900

* - Excludes IEC costs of ORT program.

** - Add-on

Table 2
BUDGET SCHEDULE - ORT COMPONENT
($000 - Grant)

	1985	1986	1987	1988	1989	FX	LC	TOTAL
I. AID Contribution (To be obligated in FY 1985)								
1. Support of Commercialization of ORS								
a. Procurement of ORS products	300	350	50	50	-		750	750
b. Grant to Phil. Drug Manufacturers Association	50	-	-	-	-		50	50
2. N R T C								
a. Renovation/Equipment	300	-	-	-	-	50	250	300
b. Training/Operations	100	180	180	180	110		750	750
3. Professional Promotions								
a. Dissem. of Prof. Lit.	40	50	50	50	50		240	240
b. Scientific Meetings	-	40	40	40	40		160	160
4. Paraprofessional Training	80	150	200	110	60		600	600
5. Public Promotions	50	200	250	120	80		700	700
6. Program Staff Support	70	75	75	75	75		370	370
7. Evaluations	10	15	20	-	35		80	80
TOTAL AID Contribution	1000	1060	865	625	450	50	3950	4000
II. GOP Contribution (GOP's planned obligation and expenditures schedule)								
1. ORS Supply								
a. ORESOL production	250	250	250	250	250		1250	1250
b. ORS procurement	-	-	250	250	250		750	750
2. NRTC Operations	27	27	27	27	27		135	135
3. Paraprofessional Training	62	62	62	62	62		310	310
4. Public Promotions	90	90	90	90	90		450	450
5. Program Staff Support	21	21	21	21	21		105	105
TOTAL GOP Contribution	450	450	700	700	700		3000	3000
TOTAL PROJECT COST	1450	1510	1565	1325	1150	50	6950	7000

COUNTRY CHECKLIST

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FAA Sec. 102 (b); 111; 113; 28 (a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small town and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions;	a. The project will promote the adoption of a simplified and cost-effective technology for the treatment of diarrheal disorders, thereby benefiting the poor.
b. help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions;	(b) N/A
c. support the self-help efforts of developing countries;	(c) This project will transform the Ministry of Health into a self-reliant unit by reducing its recurrent cost burden of implementing its Diarrheal Disease Control Program.
d. promote the participation of women in the national economies of developing countries and the improvement of women's status; and	(d) Not a direct focus of the project.
e. utilize and encourage regional cooperation by developing countries?	(e) N/A

b. FAA Sec. 103, 103A, 104, 105 106, 107. Is assistance being made available:

(i) /103/ for agriculture rural development or nutrition; if so — (1) N/A

(a) extent to which activity is specifically designed to increase productivity and income of rural poor; 103A if for agriculture research, full account shall be taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made; — (a) N/A

(b) extent to which assistance is used in coordination with programs carried out under. — (b) N/A

Sec. 104 to help improve nutrition of the people of developing countrie through encouragement of increased production f crops with greater nutritional value, improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition among poor and vulnerable poor; and

c. extent to which activity increases national food security by improving food policies and management and by strenthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution? — (c) N/A

2. Development Assistance Project Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest.	**a. The government has not defaulted on any foreign loan and they have the capacity in the long run to service and repay their foreign loans.**
b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan.	**b. N/A**

PROJECT CHECKLIST

A. GENERAL CRITERIA FOR PROJECT

1. FY 1985 Continuing Resolution Sec. 525; FAA Sec. 634A; Sec. 653(b)

a. Described how authorizing and appropriations Committees of Senate and House have been or will be notified concerning the project;	**Through congressional notification**
b. Is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than $1 million over that amount)?	**Yes**
2. FAA Sec. 611(a) (1). Prior to obligation in excess of $100,000, will there be (a) engineering, financial other plans necessary to carry out the assistance and (b) a reasonably firm estimate of th cost to the U.S. of the assistance?	**Yes**

c. /107/ is appropriate effort placed on use of appropriate technology? (relatively smaller, costsaving, labor using technologies that are generally most appropriate for the small farms incomes of the poor).	c. Yes
d. FAA Sec. 110 (a). Will the recipient country provide at leas 25% of the cost of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least developed" country)?	d. Yes
e. FAA Sec. 110(b). Will grant capital assistance be distributed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed?"	e. No
f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in government processes essential to self government.	f. N/A
g. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacity and self-sustaining economic growth?	g. Yes, the project will enable the host country to realize substantial savings in the treatment of diarrheal diseases.

3.	FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that action will be completed in time to permit orderly accomplishment of purpose of the assistance?	N/A
4.	FAA Sec. 611(b); FY 1985 Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the standards andcriteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973?	N/A
5.	FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed $1 million, has Mission director certified and Regional Assistant Administrator taken into consideration the country's capability to effectively maintain the utilize the project?	N/A
6.	FAA Sec. 209. Is project susceptible of execution as part regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.	No
7.	FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to:	
	(a) increase the flow of international trade;	N/A
	(b) foster private initiative and competition; and	N/A
	(c) encourage development and use of unions, and savings and loan associations;	N/A
	(d) discourage monopolistic practices;	N/A

(e) improve technical efficiency of industry, agriculture and commerce; and	N/A
(f) strengthen free labor unions.	N/A
8. FAA Sec. 601(b). Information and conclusion on how project encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprises).	**Project involves mostly local cost financing. Nature of would not lend itself to U.S. private trade/investments**
9. FAA Sec. 612(b); Sec. 636(h); FY 1985 Continuing Resolution Sec. 507. Describe steps taken that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies ownd by the U.S. are utilized in lieu of dollars.	**GOP will provide a minimum of 43% of project costs in local currencies. Foreign currencies owned by the U.S. are not available to this project.**
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country, if so, what arrangements have been made for its release?	**No**
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?	**Yes**
12. FY 1985 Continuing Resolution Sec. 522. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similaror competing commodity?	**N/A**

institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) the participation of women in the national economies of developing countries and the improvement of women's status, (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?

b. Yes

c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saing, labor-using technologies that are generally most appropriate for the small businesses, and small incomes of the poor)?

c. N/A

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

d. The Project Agreement will commit the GUP to contributing more than 25% of total project costs.

13.	FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16. Does the project of program taken into consideration the problem of the destruction of tropical forests?	**Yes**
14.	FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)?	**N/A**
15.	FY 1985 Continuing Resolution Sec. 536. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution?	**No**

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FAA Sec. 102(b), 111, 113, 281(a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from citites to small towns and rural areas and insuring wide participation of the poor in the benefits of develop ment on a sustained basis, using the appropriate U.S.	**a. Communities, private and public organizations public organizations and cooperatives will test schemes that will provide accessible and affordable primary health care to poor rural residents especially mothers and children. The schemes will be developed and designed at the community level.**

2. Development Assistance Project Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest.

2. a. **Available**

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

b. **N/A**

c. ISDCA of 1981, Sec. 724 (c) and (d). If for Nicaragua, does the loan agreement require that the funds be used to the maximum extent possible for the private sector? Does the project provide for monitoring under FAA Sec. 624(g)?

c. **N/A**

3. Economic Support Fund Project Criteria

a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of FAA Section 102?

3. a. **N/A**

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?

b. **N/A**

c. FAA Sec. 534. Will ESF funds be used to finance the construction or the operation

c. **N/A**

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? (M.O. 1232.1 defined a capital project as "the construction, expansion, equipping or alteration of a physical facility or facilities financed by AID dollar assistance of not less than $100,000, including related advisory, managerial and training services, and not undertaken as part of a project of a predominantly technical assistance character."	e. N/A
f. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?	f. Yes.
g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government .	g. The primary health care financing schemes of the project will be designed and developed at the community level by the people.

or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such use of funds is indispensable to nonproliferation objectives?

d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

d. N/A

Annex "E"

INITIAL ENVIRONMENTAL EXAMINATION

Project Location	:	Republic of the Philippines
Project Tile	:	Financing Primary Health Care - ORT Component
Funding	:	FY 85 $4,000,000
Life of Project	:	FY 85 - FY 90 $4,000,000
IEE Prepared by	:	Rosendo R. Capul, Public Health Advisor
Date	:	January, 1985

Environmental Action Recommended: A negative determination is recommeded.

Concurrence: CARLOS E. CROWE, Mission Environmental Officer Date : 1/23/85

Assistant Administrator's Decision"

_____ Date : _____
Approval of Environmental Action Recommended

_____ Date : _____
Disapproval of Environmental Action Recommended

I. Examination of Nature, Scope, and Magnitude of Environmental Impacts

A. Description of Project

The project proposes to increase the utilization of Oral Rehydration Therapy (ORT) as a primary preventive measure against rehydration and shock which are the proximal causes of diarrheal deaths. Increased ORT utilization will be achieved by assuring a constant and readily available supply of oral rehydration solutions through commercialization, and by stimulating ORT demand. Demand creation activities will consist mainly of promoting the ORT concept among medical professionals, paraprofessionals and the lay public.

SV

B. Impact Identification and Evaluation Form

Impact Areas and Sub-areas 1/	Impact Identification and Evaluation 2/
a. Land Use	
1. Changing the character of the land through:	
a. Increasing the population	N
b. Extracting natural resources	N
c. Land clearing	N
d. Changing soild character	N
2. Altering natural defenses	N
3. Foreclosing important uses	N
4. Jeopardizing man or his works	N
5. Other factors	
_____	_____
_____	_____
b. Water Quality	
1. Physical state of water.....	N
2. Chemical and biological states	N
3. Ecological balance	N
4. Other factors	
_____	_____
_____	_____

1/ See Explanatory Notes for this form.
2/ Use the following symbols: N - No environmetal impact
L - Little environmental impact
M - Moderate environmental impact
H - High environmental impact
U - Unknown environmental impact

c. Atmospheric

1. Air additives ..... N
2. Changes in population ..... N
3. Changes in cultural pattern ..... N
4. Other factors

_____ _____
_____ _____

1. Diversion, altered use of water ..... N
2. Irreversible, inefficient commitments ..... N
3. Other factors

_____ _____
_____ _____

e. Cultural

1. Altering physical symbols ..... N
2. Dilution of cultural traditions L
3. Other factors

_____ _____
_____ _____

f. Socio-economic

1. Changes in economic/employment patterns ..... N
2. Changes in population L
3. Changes in cultural patterns L
4. Other factors

_____ _____
_____ _____

g. Health

1. Changing a natural environment L
2. Eliminating an ecosystem element ..... N
3. Other factors

_____ _____
_____ _____

h. General

1. International impacts ..... N
2. Controversial impacts ..... N
3. Larger program impacts L
4. Other factors

_____ _____
_____ _____

i. Other possible impacts (not listed above)

_____ _____
_____ _____

See attached Discussion of Impacts

C. Discussion of Impacts

There will be no major project impact on the physical environment. However, the human environment should benefit from the various health education activities that will be undertaken, which will promote the proper disposal of human excreta.

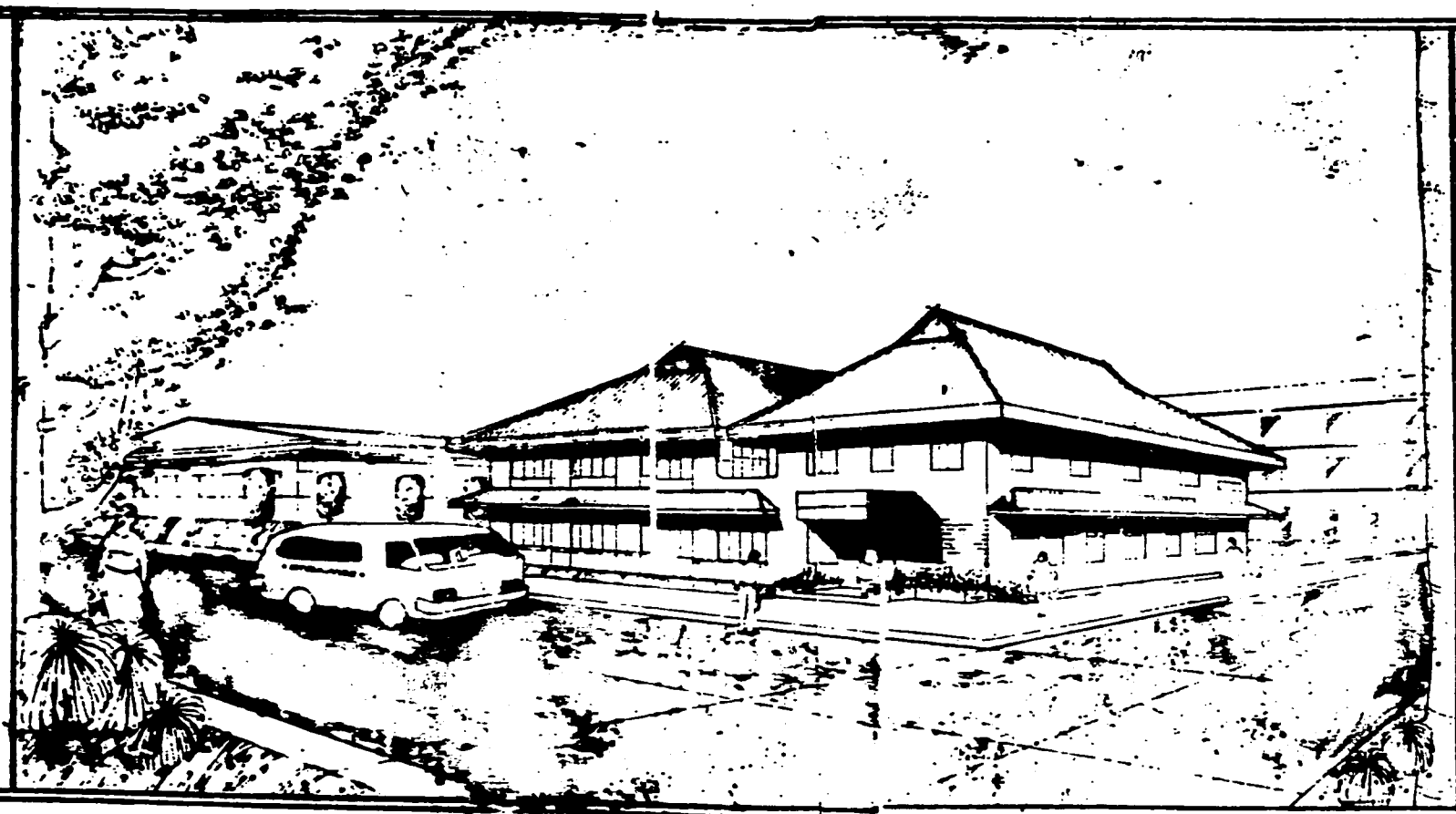
D. Conclusion

As outlined, the activities to be undertaken under this project component are unlikely to have significant direct environmental impacts. The commercial production of oral rehydration solutions and their promotion among medical professionals, paraprofessionals and the lay public are the only major activities, and will not in any way disrupt the environment.

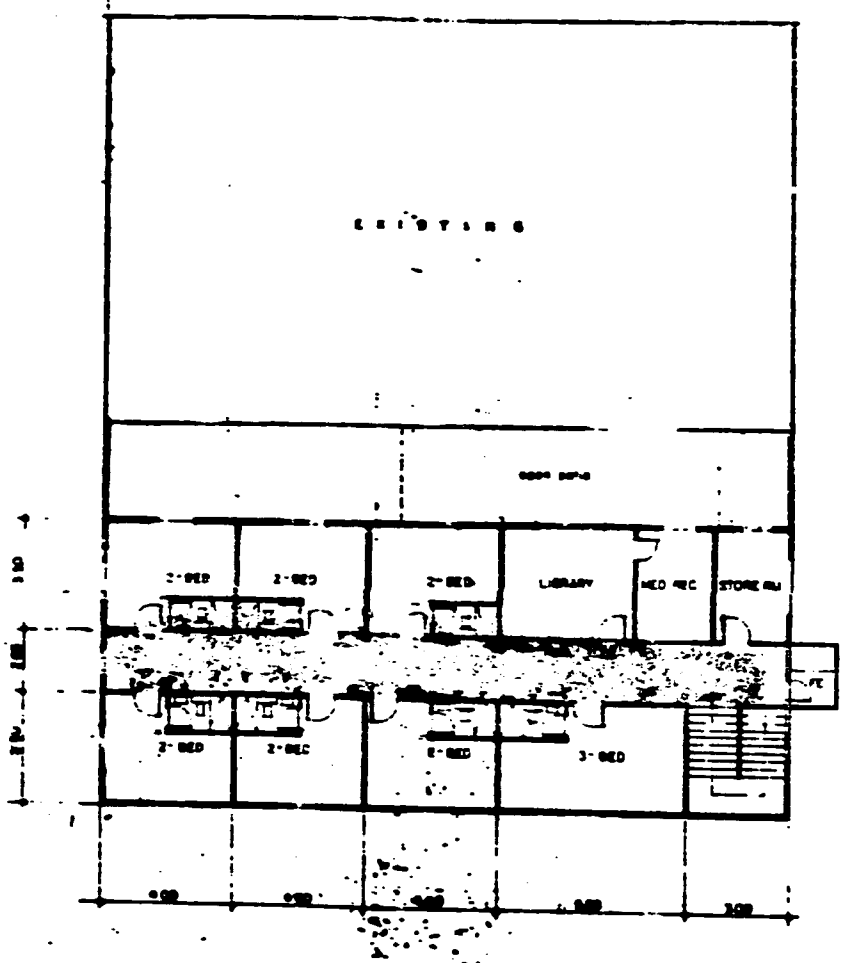
III. Recommendation for Environment Action

A negative determination is recommended.

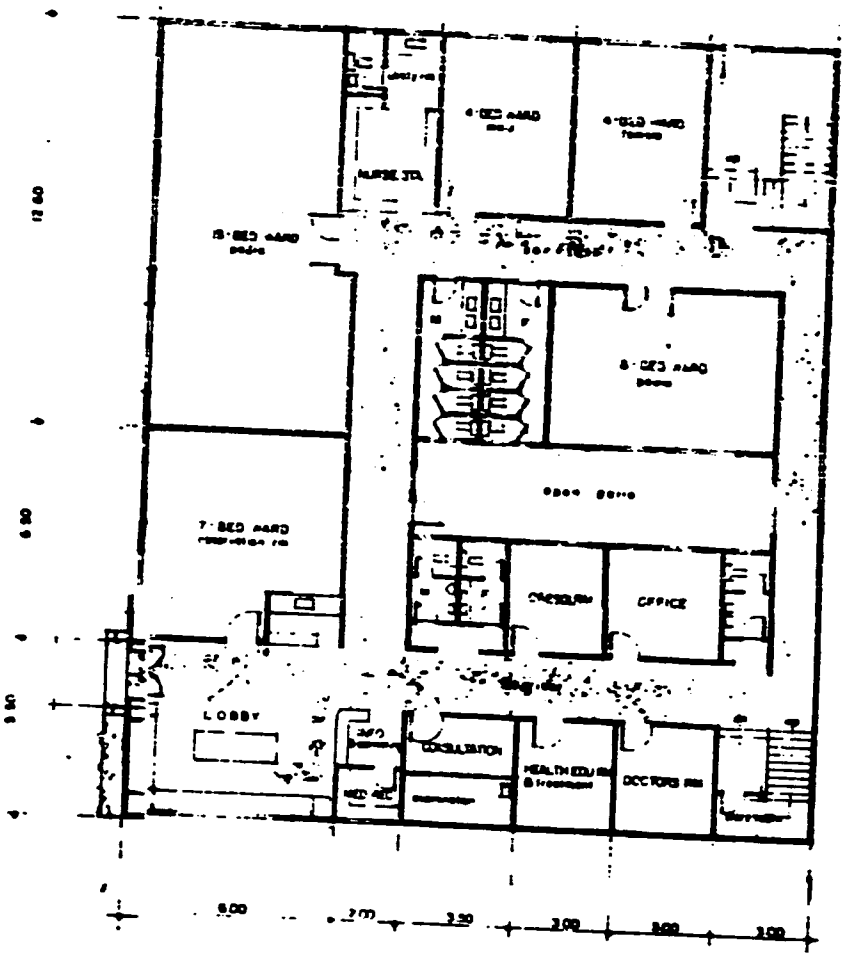
Annex "F"



PROJECT TITLE	LOCATION	RECOMMENDING APPROVAL	APPROVED
NATIONAL REHYDRATION TRAINING CENTER	SAN LAZARO COMPOUND M M	ENGR. FELICISIMO R. PARIAL HEAD ENGINEERING SERVICES	CATHERINE P. RAÑOA MD MHA CHIEF, SAN LAZARO HOSPITAL



SECOND FLOOR PLAN SCALE 1:100 m



GROUND FLOOR PLAN SCALE 1:100 m

PROJECT TITLE NATIONAL REHYDRATION TRAINING CENTER	LOCATION SAN LAZARO COMPOUND MM	RECOMMENDING APPROVAL ENG'R FELICISIMO R PARIAL HEAD, ENGINEERING SERVICES	APPROVED CATHERINE P RANOA, MD MHA CHIEF, SAN LAZARO HOSPITAL

SHEET NO.

58

Annex G

REPUBLIC OF THE PHILIPPINES
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY
NEDA sa Pasig, Amber Avenue
Pasig, Metro Manila

Cable Address: NEDAPHIL
P.O. Box 419, Greenhills
Tels. 673-50-31 to 50

4-39
RECEIVED

28 March 1985

Mr. Frederick W. Schieck
Director, USAID Mission
M a n i l a

Dear Mr. Schieck,

DIV	ACTION	INFO
OD		✓
E		
PE		
RLA		✓
EO		
TL		
LC		
HRD		
GSD		
IM		
GSM		
TM		✓
CO		✓
DED		
OCD		
ORAL	✓	
OPHN	✓	
OFPPVC		
RIG/A		
RIG/II		
AR		
DUE DATE		
4-15-85		

Subject: Primary Health Care Financing Project

This has reference to USAID letter of 8 March 1985 indicating interest to provide additional grant funds amounting to US$4,200,000 to the above-mentioned project.

I am pleased to inform you that this Office has no objection to the proposed project paper amending the Project Agreement that would incorporate the additional grant assistance to the subject project.

Thank you and warm regards.

Sincerely yours,

RAMON B. CARDENAS
Deputy Director-General
Officer-in-Charge

ACTION TAKEN
NAN ✓ Other
Type No.
Date 4/2/85 Initials