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USAID/DOMINICAN REPUBLIC

PROJECT PAPER

HEALTH SYSTEMS MANAGMENT

(Supplement Number 2)

517-0153

August 16, 1988

-1-

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

C A = Add  
C = Change  
D = Delete

Amendment Number  
3

DOCUMENT CODE  
3

COUNTRY/ENTITY

Dominican Republic

4. BUREAU/OFFICE

Latin America and the Caribbean

3. PROJECT NUMBER

517-0153

5. PROJECT TITLE (maximum 40 characters)

Health Systems Management

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY  
11 03 90

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

A. Initial FY 84

B. Quarter 2

C. Final FY 88

8. COSTS / \$000 OR EQUIVALENT \$1 =

A. FUNDING SOURCE	FIRST FY 84			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AD Appropriated Total (Grant)	( 629 )	( 50 )	( 679 )	( 2,058 )	( 392 )	( 2,450 )
(Loan)	( )	( )	( )	( )	( )	( )
Other U.S. 1.						
2.						
Host Country		200	200		1,027	1,027
Other Donor(s)						
<b>TOTALS</b>	<b>629</b>	<b>250</b>	<b>879</b>	<b>2,058</b>	<b>1,419</b>	<b>3,477</b>

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) HE	584-B	200		1,500		950		2,450	-
(2)									
(3)									
(4)									
<b>TOTALS</b>				<b>1,500</b>		<b>950</b>		<b>2,450</b>	<b>-</b>

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

510 520 544 550 562 569

11. SECONDARY PURPOSE CODE  
510

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

A. Code  
B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To improve SESPAS management systems and concurrently to develop the capacity within SESPAS to administer and manage health.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY  
0 6 8 9 | | | | 0 9 9 0

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.)

PACD is extended for 2 years to October 31, 1990 and funding is increased by \$950,000 for a total LOP funding of \$2,450,000. Project activities remain the same, with the addition of components to institutionalize improvements made to date, and to provide assistance for improvements in several other key areas.

17. APPROVED BY

Signature

Title

Raymond F. Rifenburg  
USAID Acting Director

Date Signed

MM DD YY  
0 8 1 6 8 8

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

MM DD YY

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HEALTH SYSTEM MANAGEMENT  
(Supplement Number Two)  
517-0153

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ANNEXES

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PROJECT AUTHORIZATION AMENDMENT NUMBER TWO

NAME OF COUNTRY: Dominican Republic  
NAME OF PROJECT: Health Systems Management  
NUMBER OF PROJECT: 517-0153

1. Pursuant to Section 104 of the Foreign Assistance Act of 1961, as amended, the Health Systems Management Project for the Dominican Republic was authorized on January 27, 1984 and amended on July 13, 1985. That authorization is hereby further amended as follows:

a. In paragraph 1, the figure "\$1,500,000" is deleted and the figure "\$2,450,000" is inserted. The planned life of project is revised to six years from the date of initial obligation.

b. The following conditions precedent to further disbursement under the Project are added:

(1) Condition Precedent for Disbursement after December 31, 1988, except disbursements for long and short term technical assistance

SESPAS will provide in writing, in form and substance satisfactory to A.I.D., job descriptions and personnel qualifications for at least the following key positions that support project activities:

Regional Directors, Regional Administrators, Area Directors, Area Administrators, Directors of Regional Hospitals, Administrators of Regional Hospitals, Directors of Area Hospitals, Administrators of Area Hospitals, Subcenter Directors, Subcenter Administrators, Directors of Rural Clinics, Chief of Personnel Department, Chief Regional Personnel Officers, Regional Statisticians, Regional Chiefs of Accounting and Budgeting, Regional Epidemiologists, Area Epidemiologists, Principal Computer Operators of the Regional Offices and Assistant Computer Operators of the Regional Offices.

(2) Condition Precedent for Disbursement After August 31, 1989

SESPAS will provide, in form and substance satisfactory to A.I.D., a written cost recovery policy to provide a basis for improving health care financing and a plan to implement the policy during the remainder of the Project. Specifically, SESPAS will (1)

analyze current cost recovery practices; (2) issue a cost recovery policy that addresses such issues as user fees and recovery of revenues from insurance companies; and (3) develop procedures to implement the cost recovery policy, including an accounting system for collecting and utilizing revenues. The results of the Santo Domingo Health Demand Study and SESPAS Hospital Cost Study will be utilized in the development of said policy and program.

(3) Condition Precedent for Disbursements Each Year

Throughout the Life of Project, SESPAS will submit annually for A.I.D.'s approval evidence supporting that (1) a viable, operating and functional budget system is in place (as has been developed under the project); (2) SESPAS has presented said budget in its annual submissions to the GODR's National Budgeting Office; and (3) budget allocations have been made according to this new system.

c. The following covenants shall be added:

(1) Key Positions

SESPAS agrees to fill the key positions that support project activities, per the job descriptions developed, with qualified individuals, and maintain documentation of their qualifications.

(2) Personnel Policy

SESPAS agrees to make steady progress in implementing the personnel policy recently approved by the Secretary of Health, including: adopting standardized pay scales; enunciating principles of recruitment based upon suitability for the job; and ensuring appropriate participation of supervisors in hiring, promotion, and disciplinary actions.

(3) Productivity Progress

Through periodic consultations and submission of implementation plans to A.I.D., SESPAS will provide evidence that it is making steady progress in improving its productivity through the following: (i) continued use of budgeting procedures based upon standards of productivity and efficiency, and reallocation of resources accordingly; (ii) implementation of improved management tools; (iii) training of personnel at all levels, and (iv) incorporation of incentives in the personnel system.

(4) Child Survival Coordination

SESPAS agrees to make special efforts to integrate project

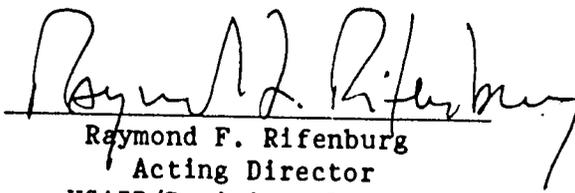
activities with SESPAS' child survival program in Health Regions IV, VI and O. This shall include quarterly meeting between the Coordinating Committees for the Health Systems Management and the Child Survival Projects, to assure continuing collaboration between the projects. SESPAS will provide to A.I.D. the minutes of said quarterly meeting. In addition, both committees will have representatives in attendance at each other's more frequent operational-level meetings.

(5) Cost Recovery

SESPAS agrees to implement a program of cost recovery pursuant to its written cost recovery plan, as soon as possible after the plan's development and to keep the system in place during the entire life of this project.

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

August 16, 1988  
Date

  
Raymond F. Rifenburg  
Acting Director  
USAID/Dominican Republic

HEALTH SYSTEMS MANAGEMENT  
(Project Paper Supplement Number Two)  
517-0153

I. SUMMARY AND RECOMMENDATION

USAID/DR recommends that the Health Systems Management (HSM) project be amended to enable the impact of project activities to date to become fully institutionalized in the areas of financial management, information systems and personnel administration, and to expand the project to include the areas of monitoring/supervision, purchasing and supply, administrative training and project management. It is further recommended that total project funding be increased by \$950,000 to a total of \$2,450,000 in grant funds with a counterpart contribution of \$1,027,000, and that the PACD be extended by two years, from October 30, 1988 to October 31, 1990. LAC/GC opinion indicates that the Mission Director has redelegated authority to effect this extension of two years beyond the original PACD of the project.

These recommendations are based upon an institutional analysis of SESPAS (Secretariat of Public Health) conducted in May of 1988, in which it was determined that the project had successfully reformed many SESPAS management systems in the areas of personnel, budgeting and finance and information systems, and had trained personnel in all of these areas. Furthermore, it was found that SESPAS purchasing, transportation and maintenance systems require further strengthening to integrate these areas with others into a consolidated, institutionalized network. Such a consolidation, coupled with appropriate training of managers, supervisors and administrators, is considered to be essential to enable SESPAS to achieve the project purpose of improving its management systems and developing its capacity to better manage health services. The proposed project amendment responds to the near-term achievement of this project purpose.

II. PROJECT RATIONALE AND USAID STRATEGY

A. Background

On February 28, 1984, USAID/DR and the GODR signed the Health Systems Management Project Agreement, with a PACD of April 30, 1989. The purpose of the project was to improve SESPAS management systems and develop SESPAS' capacity to manage health services, and the goal was to increase the quantity and quality of SESPAS-delivered primary health care services. The project was to improve the following management systems: finance, logistics, information, supervision, personnel, maintenance and planning, and surveillance and control of dengue, yellow fever and schistosomiasis. In addition, SESPAS personnel were to have learned management skills through in-country workshops, long-term participant training and a built-in continuing education program. The total amount of the project was \$8 million, of which \$4 million was to have been grant-funded and \$4 million loan-funded. However, the Dominican Congress did not ratify the loan portion of the project, so the project was amended on August 25, 1985 to deobligate the loan, reduce the grant funding from \$4 million to \$1.5 million, and decrease the PACD to April 30, 1988. The Amendment maintained the original project goal and purpose, but only aimed to

improve SESPAS financial, information and personnel management systems ("Management Systems Improvement Component") and develop surveillance and control systems for schistosomiasis, dengue and yellow fever ("Disease Control Component"). The project PACD was later extended to October 30, 1988 to complete planned activities.

B. Accomplishments to Date

By July 1988, the Disease Control Component of the project had installed a laboratory for diagnosing dengue and yellow fever, established a system for monitoring dengue prevalence and developed a plan for managing dengue hemorrhagic fever epidemics. Also, SESPAS began implementing a plan to detect, treat and control schistosomiasis.

Under the Management Systems Improvement Component, an institutional analysis of SESPAS conducted in May-June 1988 (Annex E) found that the project reformed many SESPAS management systems. Procedure manuals were developed for almost all critical accounting functions and SESPAS personnel at all levels were trained in their use. New budgeting procedures tying productivity to funding levels were developed and implemented. Procedures were developed to computerize the financial system, tie it to the personnel system and provide vastly improved management information. A cost accounting system was developed, to be implemented before the PACD of October 1988. An information system integrating financial, personnel, epidemiological and service data banks was developed. Data collection instruments were revised and personnel at all levels trained in their use. Reforms were begun in the personnel area, including the restructuring of the personnel division and the development of a personnel policy that enunciates recruitment based upon suitability for the job, responsibility and rights of supervisors to be consulted on hiring of employees and the right of supervisors to initiate promotion and disciplinary action. (For a comparison of planned vs. actual outputs, see Annexes B and E, pp.4-12).

As stated in Amendment Number 2, the project aimed to help SESPAS meet its recurrent costs requirements. The project is doing this by: (1) providing SESPAS with the ability to adequately budget for its recurrent cost needs; and (2) helping SESPAS to increase productivity and thus lower the costs of providing services. Productivity is being increased by: (1) developing standards of productivity and efficiency, monitoring their attainment and allocating resources accordingly; (2) improving management tools, leading to better management and resource utilization and establishing a basis for an effective accountability process, which was practically non-existent before the project; (3) training of personnel at all levels, thereby increasing employee productivity and motivation; and (d) incorporation of incentives in the personnel system that will lead to greater motivation and productivity.

As a result of the project's achievements to date, SESPAS requested that it be expanded to include purchasing, transportation and maintenance systems. Also, SESPAS requested assistance in developing and implementing a management course for mid-level regional administrators and upgrading the Dirección

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Nacional de Salud so that it can better coordinate this and other A.I.D.-funded projects.

C. Rationale for the Project and its Extension

When the project was amended in 1985 due to insufficient GODR support, its scope was reduced with the proviso that "should the future GODR Administration support and take full advantage of the intent of the project, then the USAID will consider a follow-on project." Instead of developing a new project at this time, however, the current project will be amended, because there will not be substantive change in the project goal or purpose. As evidenced in the SESPAS Institutional Analysis, SESPAS staff at all levels have fully supported the project, resulting in the successful reform of management systems. Factors such as good timing (project implementation began at the start of a new GODR administration), strong rapport between technical advisors and SESPAS staff, and the establishment of a successful mechanism for developing and incorporating reforms in management systems, have created a window of opportunity for institutionalizing improvements in SESPAS management at least through the current GODR Administration's 1990 term and hopefully beyond. The project's current PACD of October 1988 would not allow for the realization of optimum benefits in a currently supportive atmosphere.

SESPAS management systems must be improved if public health services are to improve in the Dominican Republic. SESPAS has a comprehensive nationwide infrastructure, designed to provide primary health care services (with emphasis on child survival interventions) to communities throughout the country. Nevertheless, the quality and quantity of services provided through this infrastructure is hampered by administrative and financial constraints that this project is helping to alleviate.

Since 1980, economic decline has been accompanied by the deterioration of SESPAS services. Per capita SESPAS outlays fell in real terms from US\$22 in 1980 to US\$9 in 1985 and the proportion of the recurrent budget allocated to personnel costs rose from 50% in 1975 to approximately 68% in 1984 (largely because salaries were increased to keep up with inflation while other budgetary categories were not). This produced acute shortages of supplies, widespread deterioration of physical plant and equipment, and the deterioration of the supervision system, leading to critical gaps in coverage and productivity.

Many SESPAS problems are caused by lack of documented, institutionalized management procedures and very poor management. In 1986, the project conducted a diagnostic study of SESPAS management and found the following:

- SESPAS lacked and/or did not utilize standardized norms and procedures for financial management, budgeting, personnel management and information management;
- The functions of SESPAS departments and employees were unclear, creating problems in accountability and conflicts between offices and individuals;

- The poor definition of roles, personnel instability and deficient supervisory and support system were barriers to employee motivation;
- Procedures and forms were unnecessarily duplicated, principally due to lack of written guidelines, and because the organization and role of employees was poorly defined;
- Technical and administrative staff at all levels lacked training in basic administrative techniques;
- Interdepartmental communication was almost nonexistent;
- The planning and budgeting process did not adequately determine needs and obtain and allocate funds to SESPAS operating units according to those needs;
- The information system did not obtain on-time, reliable data on principal health indicators, nor make any significant analysis, interpretation and use of data obtained.

During the first two years of the project, SESPAS management systems have been improved significantly. The improved budgeting process implemented under this project has enabled SESPAS to better develop, justify and submit acceptable budgets for increased funding to the GODR's National Budget Office, and thus obtain more resources to better meet its recurrent cost requirements and allocate its resources more productively. With improved information and financial management systems, accountability for the use of SESPAS funds has increased and the flow of funds to operating units is facilitated. Improvements in SESPAS information systems are greatly expanding SESPAS' analytical ability, enabling it to make better decisions regarding resource allocation and policy-making. Improvements in SESPAS personnel management will facilitate the recruitment and retention of competent personnel for key managerial and technical positions, leading to increased productivity. The development and institutionalization of management procedures and training of SESPAS administrative staff at all levels in these procedures is systematizing SESPAS operations, leading to improved accountability, productivity, efficiency and effectiveness.

Improved management systems will not only lead to increases in the quantity and quality of SESPAS services, but will enable SESPAS to work more effectively with donors and foreign assistance agencies such as A.I.D. in improving interventions in the areas of child survival, immunizations, vector control, family planning and PL-480 Title II food distribution.

Although disbursements under this project were slow during the first several years (as of the March 1988 semester, only 42% of the project had been disbursed with 89% of the LOP elapsed), the disbursement rate during the most recent four quarters has increased considerably (9%, 3%, 5% and 13%, respectively), indicating that disbursement problems are being addressed and

that the project is back on track in this respect. Project managers will give special attention to this area during the amendment period.

D. Policy and Strategy Statement

1. Relationship of Project to A.I.D. Health Policy

A.I.D.'s Health Policy Paper issued in December 1986 states that A.I.D.'s goal in the health sector is to increase life expectancy in less developed countries. Since infant and child deaths account for half of the deaths occurring in these countries, A.I.D. focuses on reduction of infant and child mortality and morbidity. "A.I.D. will support not only accelerated delivery of child survival services, but also, and more importantly, investment in institutional development efforts which will ensure sustainability of child survival services within each country. In addition to the continued emphasis on providing primary care, current policy emphasizes the importance of the secondary and tertiary levels of the health system, particularly the financing and resource management aspects of the health care system as a whole, and their effect on child survival."

Provision of selective child survival interventions is not an end in itself. Incremental strengthening of essential management systems...are also important elements of a strong health care system. Achievement and maintenance of child survival gains will require promotion of...improved allocation of resources, cost containment and organizational reforms in the health sector to ensure sustained levels of recurrent financing for child survival services. Improvements in essential management systems required to implement the child survival service delivery such as improved information systems, training, supervision, drug/vaccine procurement and logistics systems are also necessary.

The Health Systems Management project is improving the administrative support system upon which SESPAS' child survival-oriented primary health care system is based. Improvements in the SESPAS budgeting process are leading to increased availability and improved allocation of funds to cover recurrent costs. Improvements in SESPAS information systems are enabling SESPAS to make better decisions regarding the allocation of resources and establishment of policies. Improvements in SESPAS personnel management will facilitate the recruitment and retention of competent personnel and increase their motivation and productivity. Expansion of the Health Systems Management project will enable consolidation of these activities and improvement of SESPAS purchasing and supply systems, including the procurement and distribution of essential medicines, and the training of key SESPAS regional managerial staff.

Special efforts will be made to integrate project activities with SESPAS' child survival program in Health Regions IV, VI and O, which are supported by the Mission under its Child Survival project (517-0239). This

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will ensure that improvements in management systems lead to improvements in SESPAS' child survival program.

## 2. Relationship of Project to USAID's Country Strategy

USAID/DR's Country Strategy provides for "recovery and growth through improved access to needed health care and family planning services by reinforcing the private sector's capacity to meet these needs." As indicated in the previous project amendment, the public sector orientation of this project is an exception to this strategy. It was and continues to be supported by the USAID because it represents a prior commitment to the GODR and because SESPAS represents a high-risk, high-gain client with considerable potential to make significant improvements in the health of the Dominican people. USAID views this project as an opportunity to assist SESPAS in ordering its priorities and maximizing its current resources so that it can pursue the public health role for which it is uniquely qualified. Furthermore, this project supports our strategy of reducing recurrent costs and increasing efficiency of public sector institutions.

In addition, USAID/DR's 1989/90 Action Plan, indicates that "immediate measures must be taken to deal with the current high rate of malnutrition found in the country. Child survival and related efforts are needed to carry the malnourished through a critical period until the results of longer term measures that deal with the basic causes of the problem are felt. We will address other health problems by attempting to make the large and poorly financed public health system more efficient and better able to provide services to those who cannot afford to secure them on their own." Amendment of the Health Systems Management project addresses this aim, by making SESPAS more efficient and effective in organizing and delivering health services.

### III. REVISED PROJECT DESCRIPTION

#### A. Project Goal and Purpose

##### 1. Goal and Purpose Statement

The goal and purpose of the Health Systems Management project will not be changed. The goal is to increase the quantity and quality of SESPAS-delivered primary health care services. The purpose is to improve SESPAS management systems and develop SESPAS' capacity to better manage health services.

##### 2. Measures of Achievement

At the goal level, to measure whether the project is increasing the quantity and quality of SESPAS-delivered primary health care services, a monitoring system will be designed under the project amendment to determine the impact on productivity of training, management reform, incentives and reallocation of resources implemented under the project. Measures of productivity include: consultations per inhabitant, hospitalizations per

inhabitant, cost per consultation, cost per hospitalization, hospital bed occupancy, length of stay per hospitalization, consultations per hour/physician, rate of institutional vs. non-institutional deliveries, number/percentage of infants immunized, number/percentage of infants under growth monitoring, number/percentage of infants treated for diarrheal disease, contraceptive prevalence and incidence of vector-borne diseases. Also, morbidity and mortality rates will be monitored to determine project impact on health status.

At the purpose level, under the management systems improvement component the amended project will continue to improve SESPAS systems in three areas (financial management, management information systems and personnel administration). Also, the amended project will make reforms in the areas of monitoring/supervision of systems, purchasing and supply, and training of administrators. Under the disease control component, the project will continue establishing surveillance systems to monitor transmission of schistosomiasis, dengue and yellow fever and propose control programs to reduce the possibility of epidemics which would seriously affect the country's economy. Table I illustrates the number of outputs achieved under the project thus far and the minimum number of additional outputs to be achieved under the project amendment. (For a detailed description of each output, see Annex B.)

TABLE I  
SUMMARY TABLE OF OUTPUTS\*

<u>Functional Area</u>	<u>Previous LOP, Planned</u>	<u>Actual</u>	<u>Total Remaining**</u>	<u>New Activities, Project Extension</u>	<u>Total, New LOP</u>
Financial Management	12	9	3	1	13
Management Info. Systems	11	7	4	0	11
Personnel Management	10	1	9	0	10
Supervision/Monitoring	0	0	0	4	4
Purchasing & Supply	0	0	0	4	4
Training of Administrators	0	0	0	1	1
Disease Control	<u>2</u>	<u>1</u>	<u>1</u>	0	<u>2</u>
T O T A L	35	18	17	10	45

\* Each output represents a specific reform/activity described in greater detail in Annex B.

\*\* These outputs will be completed under the project amendment.

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B. Description of Components

1. Management Systems Improvement Component

a. Functional Areas

The project will continue working in the areas of financial management, information systems and personnel administration and, based upon recommendations made in the SESPAS Institutional Analysis and needs identified by the Mission and SESPAS, will be expanded to include the areas of monitoring/supervision, purchasing and supply, administrative training and project management.

(1) Consolidation and Expansion of Finance, Information and Personnel System Reforms

To date, the project has made significant headway in implementing reforms in the areas of financial management, information systems and personnel administration. Under the project amendment, these reforms will be completed and expanded and follow-up/supervision will be provided to ensure that they are fully institutionalized in SESPAS.

Regarding financial management, thus far the project has completed the following reforms: SESPAS' budgeting procedures have been revised so that budgets are now based on programmatic targets set by each SESPAS operating unit; indicators of efficiency, productivity and quality have been established for SESPAS programs and activities; SESPAS' planning, finance, and internal auditing departments have been reorganized and their functions redefined; procedure manuals have been developed and instituted for many financial management functions; and reporting formats have been revised so that relevant financial information is now systematically provided to SESPAS authorities. Under the project amendment, follow-up/supervision will be provided to ensure that these reforms are fully institutionalized in SESPAS and the following additional reforms will be made: the budgeting process will be consolidated and fine-tuned and resources redistributed in accordance with the approved budget; budget execution will be monitored; the computerized financial system will be extended to six more regions; and a cost recovery accounting system will be developed and implemented.

In the area of information systems, the following reforms have already been completed: the SESPAS Statistics Department has been reorganized; SESPAS personnel have been trained in information system procedures; the information needs of SESPAS have been documented; forms used by SESPAS have been reviewed and redesigned; data entry and processing procedures have been evaluated in terms of sufficiency, speed and accuracy and recommendations implemented to improve the system; the feasibility of computerizing some procedures has been evaluated, basic data processing equipment including computer hardware and software procured and a pilot computerization program implemented; and a Standard Coding Manual has been developed and implemented. Under the project amendment, follow-up/supervision

will be provided to ensure that these reforms are fully institutionalized in SESPAS and the following additional reforms will be made: the computerized information system will be expanded to the six regions not currently included in the system; additional routine reports will be developed and implemented to assist central and regional authorities in managerial decision-making; a system for including "feedback" in the information flow process will be developed and implemented; norms and procedures will be established for data quality control; and a system will be developed whereby SESPAS begins to conduct regular house-to-house sample surveys to determine morbidity and mortality rates.

With respect to personnel management, the following reforms have been completed or are currently underway: a personnel policy has been developed and issued; the personnel department is being restructured; job descriptions have been prepared in draft for approximately 30 top level SESPAS officials (final approval by the Secretary of Health is expected shortly); SESPAS personnel manuals are being analyzed and updated; and current and projected costs of personnel have been determined by region, health facility, service level and category. Under the project amendment, these reforms will be completed as follows: the personnel policy will be implemented; restructuring of the personnel department will be completed and qualified people hired and trained to staff the department; job descriptions will be issued to SESPAS personnel; analyzed, updated SESPAS personnel manuals will be issued and utilized throughout SESPAS; supervision guidelines will be developed and implemented; methods for classifying positions will be developed and implemented; and a program to train supervisors in the above will be developed and implemented.

All of the above activities will be supported by a comprehensive training program in such areas as supervision, accounting and management information systems.

## (2) Supervision/Monitoring of Systems

To date, the project has focused extensively on developing management tools and implementing them at the facility, area, regional and central levels. Under the project extension, implementation of these systems will be supervised to ensure they are properly utilized. Facilities will be regularly visited by area-level personnel, areas visited by regional personnel, and central personnel will regularly supervise regional activities associated with the project.

To support the above supervision of project activities, eight vehicles will be purchased, one for each of the two pilot regions and one for each area in those regions; maintenance and vehicle control procedures will be developed and implemented; and assistance will be provided in developing and implementing procedures for operating a central level motor pool.

## (3) Purchasing

Assistance will be provided to improve SESPAS's purchasing

system. Norms and procedures will be developed and implemented for purchasing (including procurement, storage, distribution, evaluation and control); the organization and functioning of central level procurement, warehousing and distribution will be studied and reforms implemented; internal controls will be established at the central and facility levels; and the use of bulk purchasing will be increased, especially for medications.

(4) Training of Administrators

Through a buy-in to the Centrally funded Association of University Programs in Health Administration (AUPHA), a managerial course for 400 mid-level SESPAS administrators (including regional directors and administrators, hospital and sub-center directors and administrators, and promoter supervisors) will be developed and implemented. AUPHA will finance program development costs, including adapting training materials and methodology to SESPAS needs, and the project will finance implementation costs, including course supervision, student materials and seminars.

(5) Project Management

Project funds will finance the salary of the USAID Project Manager. Counterpart funds will be utilized to upgrade staff and facilities of the Dirección Nacional de Salud, the office coordinating the project (efficiency of office space will be improved, office equipment procured, systems designed and implemented to ensure adequate management of project funds and efficient and effective procurement of project commodities, and some resources provided for overtime work).

b. Technical Assistance

SESPAS will be provided 58 additional months of technical assistance from a firm contracted by A.I.D., bringing the total amount of technical assistance provided under the project to 112 person/months, as illustrated in Table II.

Technical assistance will be provided to SESPAS during the period of the project amendment through a contract with a U.S. firm experienced in the area of management reform. Timeliness of Contractor selection will be critical to project success.

c. Work Methodology

The methodology used by the project to reform SESPAS management systems is successful and will continue under the project extension. The technical assistance team will work with SESPAS to identify specific reforms to be made and to draft new procedures, policies, manuals, forms, etc. accordingly. These will be reviewed and approved by the Project Coordinating Committee and when appropriate, reviewed and approved by the Secretary of Health. Once approved, the new documents will be implemented through publication, distribution, training and supervision/follow-up. Equipment will be purchased as necessary to support the new management systems.

**TABLE II**  
**DISTRIBUTION OF TECHNICAL ASSISTANCE**

<u>Functional Area</u>	<u>Level of Effort (person/months)</u>		
	<u>Original Project</u>	<u>Project Extension</u>	<u>Total</u>
Project Coordination	0	2	2
Financial Management	30	22	52
Information Systems	14	11	25
Personnel	10	7	17
Design and Implementation of System to Measure Impact	0	0.5	0.5
Supervision/Monitoring of New Systems	0	2	2
Purchasing & Supply	0	11	11
Training of Administrators*	0	1	1
SESPAS Project Management	<u>0</u>	<u>1.5</u>	<u>1.5</u>
<b>T O T A L</b>	<b>54</b>	<b>58.0</b>	<b>112.0</b>

\* Most technical assistance for training administrators will be provided by AUPHA, not the project Contractor.

2. Disease Control Component

According to Amendment Number 2 to the Project Paper, "the focus of this component of the project will be the development of a dengue surveillance program and the establishment of an emergency treatment and control plan to be followed in case of an epidemic of dengue or dengue hemorrhagic fever." These objectives have been achieved, and the surveillance system established under the project has enabled the GODR to discover widespread dengue transmission and the first confirmed cases of dengue hemorrhagic fever (DHF) in the country. This has made SESPAS and CDC concerned that something must be done to prepare the country for a possible DHF epidemic. The emergency plan prepared under the project recommends that the following activities be carried out, for which funding will be provided under the project amendment:

- The National Committee for the Control of Dengue Emergencies needs to be strengthened.
- SESPAS should require that dengue be a "reportable disease."
- The number of sentinel surveillance sites needs to be expanded and forms developed for gathering clinical, epidemiologic and demographic information to accompany the collection of blood samples.
- A system should be implemented whereby hospital staff report suspected hospitalized cases.

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- Periodic serosurveys should be conducted and results disseminated to relevant health and vector control authorities.
- Medical personnel should be trained to diagnose and treat dengue and DHF.
- Hospitals, subcenters and clinics should be surveyed to determine if they have basic equipment required for dengue diagnosis.

In addition to dengue, the Disease Control Component was to have financed schistosomiasis surveillance and control. In 1987, SESPAS established a Schistosomiasis Control Committee, which developed an implementation plan, to be funded under the project, for detecting, treating and controlling schistosomiasis. Since most of the A.I.D. funds available for disease control had at that time been reserved for the dengue program, it was decided that most of the funding for the schistosomiasis program should come from local currency counterpart funds, which had not yet been programmed. However, local currency funds were not disbursed to the project until May 1988, so implementation of the schistosomiasis program was delayed and has only just begun. Under the project extension, schistosomiasis activities will continue as per the implementation plan, with no additional funding or amendments required.

### C. Project Implementation

#### 1. Conditions and Covenants

The Project Committee recommends that the following conditions and covenants be included in the amended project agreement.

##### a. Conditions Precedent to Subsequent Disbursements

- (1) Condition precedent for disbursement after December 31, 1988, except disbursements for long and short term technical assistance

SESPAS will provide in writing, in form and substance satisfactory to A.I.D., job descriptions and personnel qualifications for at least the following key positions that support project activities:

Regional Directors, Regional Administrators, Area Directors, Area Administrators, Directors of Regional Hospitals, Administrators of Regional Hospitals, Directors of Area Hospitals, Administrators of Area Hospitals, Subcenter Directors, Subcenter Administrators, Directors of Rural Clinics, Chief of Personnel Department, Chief Regional Personnel Officers, Regional Statisticians, Regional Chiefs of Accounting and Budgeting, Regional Epidemiologists, Area Epidemiologists, Principal Computer Operators of the Regional Offices and Assistant Computer Operators of the Regional Offices.

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(2) Condition Precedent for Disbursement After August 31, 1989

SESPAS will provide, in form and substance satisfactory to A.I.D., a written cost recovery policy to provide a basis for improving health care financing and a plan to implement the policy during the remainder of the Project. Specifically, SESPAS will (1) analyze current cost recovery practices; (2) issue a cost recovery policy that addresses such issues as user fees and recovery of revenues from insurance companies; and (3) develop procedures to implement the cost recovery policy, including an accounting system for collecting and utilizing revenues. The results of the Santo Domingo Health Demand Study and SESPAS Hospital Cost Study will be utilized in the development of said policy and program.

(3) Condition Precedent for Disbursements Each Year

Throughout the Life of Project, SESPAS will submit annually for A.I.D.'s approval evidence supporting that (1) a viable, operating and functional budget system is in place (as has been developed under the project); (2) SESPAS has presented said budget in its annual submissions to the GODR's National Budgeting Office; and (3) budget allocations have been made according to this new system.

b. Covenants

(1) Key Positions

SESPAS agrees to fill the key positions that support project activities, per the job descriptions developed, with qualified individuals, and maintain documentation of their qualifications.

(2) Personnel Policy

SESPAS agrees to make steady progress in implementing the personnel policy recently approved by the Secretary of Health, including: adopting standardized pay scales; enunciating principles of recruitment based upon suitability for the job; and ensuring appropriate participation of supervisors in hiring, promotion, and disciplinary actions.

(3) Productivity Progress

Through periodic consultations and submission of implementation plans to A.I.D., SESPAS will provide evidence that it is making steady progress in improving its productivity through the following: (i) continued use of budgeting procedures based upon standards of productivity and efficiency, and reallocation of resources accordingly; (ii) implementation of improved management tools; (iii) training of personnel at all levels, and (iv) incorporation of incentives in the personnel system.

(4) Child Survival Coordination

SESPAS agrees to make special efforts to integrate project

activities with SESPAS' child survival program in Health Regions IV, VI and O. This shall include quarterly meeting between the Coordinating Committees for the Health Systems Management and the Child Survival Projects, to assure continuing collaboration between the projects. SESPAS will provide to A.I.D. the minutes of said quarterly meeting. In addition, both committees will have representatives in attendance at each other's more frequent operational-level meetings.

(5) Cost Recovery

SESPAS agrees to implement a program of cost recovery pursuant to its written cost recovery plan, as soon as possible after the plan's development and to keep the system in place during the entire life of this project.

2. Cost Estimates

The project budget is currently US\$2.0 million (\$1.5 million A.I.D. and \$0.5 million GODR). Under the project amendment, US\$1,477,000 will be added (\$950,000 A.I.D. and \$1,027,000 GODR), bringing the total cost of the project to \$3,477,000, of which A.I.D. will finance \$2,450,000 and the GODR will contribute \$1,027,000, which is 30% of the total project cost. The following tables show the revised project budget by component:

TABLE III  
REVISED PROJECT BUDGET BY COMPONENT

<u>Inputs</u>	<u>(US\$000)</u>				
	<u>FX</u>	<u>A.I.D.</u>		<u>SESPAS</u>	<u>Total</u>
		<u>LC</u>	<u>Total</u>		
<u>Management Systems Improvement Component</u>					
Technical Assistance	1,507	-	1,507	219	1,726
Management Interventions (baseline studies)	-	-	-	20	20
Skills Training	70	200	270	262	532
Participant Training	4	-	4	1	5
Equipment and Maintenance	187	47	234	162	396
Start-up Costs	-	60	60	67	127
<u>Disease Control Component</u>	200	30	230	282	512
<u>Evaluation/Audit</u>	40	5	45	9	54
<u>Project Management</u>	<u>100</u>	<u>-</u>	<u>100</u>	<u>5</u>	<u>105</u>
<b>T O T A L</b>	<b>2,108</b>	<b>342</b>	<b>2,450</b>	<b>1,027</b>	<b>3,477</b>

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TABLE IV  
ORIGINAL VS. AMENDED PROJECT BUDGETS

(US\$000)

<u>INPUTS</u>	<u>A.I.D. Contribution</u>			<u>GODR Contribution</u>			<u>Total</u>		
	<u>Orig. Proj.</u>	<u>Proj. Amend.</u>	<u>Total</u>	<u>Orig. Proj.</u>	<u>Proj. Amend.</u>	<u>Total</u>	<u>Orig. Proj.</u>	<u>Proj. Amend.</u>	<u>Total</u>
<u>Management Systems Improvement Component</u>									
Technical Assistance	742	765	1,507	250	(31)	219	992	734	1,726
Management Interventions (baseline studies)	-	-	-	50	(30)	20	50	(30)	20
Skills Training	200	70	270	25	237	262	225	307	532
Participant Training	15	(11)	4	-	1	1	15	(10)	5
Equipment and Maintenance	218	16	234	-	162	162	218	178	396
Start-up Costs	50	10	60	-	67	67	50	77	127
<u>Disease Control Component</u>	250	(20)	230	150	132	282	400	112	512
<u>Evaluation/Audit</u>	25	20	45	25	(16)	9	50	4	54
<u>Project Management</u>	-	100	100	-	5	5	-	105	105
<b>T O T A L</b>	1,500	950	2,450	500	527*	1,027	2,000	1,477	3,477

\*The GODR contribution is comprised of RD\$800,000 from PL 480 Local Currency generations (of which \$300,000 has already been committed) and cash and in-kind contributions provided directly by SESPAS.

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TABLE V  
ACTUAL AND PROJECTED DISBURSEMENTS, BY YEAR  
(US\$000)

	: ACTUAL :		: PROJECTED :				: TOTAL :	
	: YEARS 1,2,3 :		: YEAR 4 :		: YEAR 5 :		: TOTAL :	
	: AID	: HC	: AID	: HC	: AID	: HC	: AID	: HC
<u>Management Systems</u>								
<u>Improvement Component</u>								
Technical Assistance	524	168	624	25	359	26	1,507	219
Management Interventions (baseline studies)	-	20	-	-	-	-	-	20
Skills Training	15	73	200	94	55	95	270	262
Participant Training	4	1	-	-	-	-	^	1
Equipment and Maintenance	40	0	180	81	14	81	234	162
Start-up Costs	12	0	30	34	18	33	60	67
<u>Disease Control Component</u>	170	203	30	39	30	40	230	282
<u>Evaluation/Audit</u>	3	7	12	0	30	2	45	9
<u>Project Management</u>	<u>0</u>	<u>0</u>	<u>50</u>	<u>3</u>	<u>50</u>	<u>2</u>	<u>100</u>	<u>5</u>
<b>T O T A L</b>	<b>768</b>	<b>472</b>	<b>1,126</b>	<b>276</b>	<b>556</b>	<b>279</b>	<b>2,450</b>	<b>1,027</b>

### 3. Financial Plan

#### Management Systems Improvement Component

##### a. Technical Assistance (\$1,507,000 A.I.D.; \$219,000 GODR)

A.I.D. funds: Under the original project, \$742,000 was allocated to technical assistance, covering a two-year contract with the TA firm, which provided one long term advisor for two years, 30 person-months of short-term advisors, office staff and equipment for the TA team, a project vehicle and residential furniture for the long-term advisor.

Under the project extension, an additional \$765,000 will be provided, of which \$501,000 will cover the costs of 58 more person-months of long and short-term advisors and staff for the TA office, and \$264,000 will cover the costs of procuring 6 sets of computer hardware and software (to expand SESPAS management information system) and 8 vehicles and spare parts (to monitor implementation of new management systems). Thus, the total amount of technical assistance provided under the project will be \$1,507,000.

GODR funds: The GODR contribution covers such expenditures as the salaries of SESPAS employees during the time that they participate in project activities, and in-kind expenses such as the office space of the long-term technical assistance team.

##### b. Management Interventions: (\$20,000 GODR)

The project originally budgeted \$50,000 for in-kind and cash contributions made by the GODR at the beginning of the project to cover salaries and per diem of staff who conducted a diagnosis of SESPAS management systems. However, SESPAS was able to complete the activity at a cost of \$20,000, and no further contribution will be necessary.

##### c. Skills Training: (\$270,000 A.I.D., \$262,000 GODR)

A.I.D. funds: Under the original project, \$200,000 is allocated to skills training, covering in-country courses in which new administrative procedures are taught to SESPAS personnel. Under the project extension, an additional \$70,000 will be provided to fund a buy-in to AUPHA for the management course. Thus, the total amount of funds in the skills training category will be \$270,000.

GODR funds: The GODR contribution covers such cash and in-kind expenses as the salaries of SESPAS employees during the time that they participate in training activities and the value of training facilities utilized.

##### d. Participant Training: (\$4,000 A.I.D., \$1,000 GODR)

A.I.D. funds: Under the original project, \$15,000 is allocated to short-term participant training in project-related areas. However, most

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of the training required under the project can be done in-country and other Mission projects can fund participant training of SESPAS employees, so the amount of funds in this category will be reduced by \$11,000, to \$4,000.

GODR funds: The GODR contribution covers such in-kind expenses as the salaries of SESPAS employees during the time that they participate in training activities.

e. Equipment and Maintenance: (\$234,000 A.I.D., \$162,000 GODR)

A.I.D. funds: Under the original project, \$218,000 is allocated to this category to fund the procurement and installation of 6 sets of computer equipment and the procurement of other equipment to support SESPAS management systems (calculators, file cabinets, typewriters, office supplies, etc.). Under the project extension, \$16,000 will be added to this budget category to finance the remodelling of regional offices for the installation of computer equipment, and the procurement of other miscellaneous equipment to support management systems.

GODR funds: The GODR contribution covers such expenses as the cost of equipment maintenance and the purchase of supplies (computer paper, printer ribbons, etc.) to support the equipment after the first six months of operation.

f. Start-Up Costs: (\$60,000 A.I.D., \$67,000 GODR)

A.I.D. funds: Under the original project, \$50,000 is allocated to this budget category to finance start-up costs of the new management systems (printing of new forms, purchase of a stock of computer paper and print ribbons, per diems for start-up supervision of the new systems in the regions, etc.). Under the project extension, \$10,000 will be added to finance additional start-up costs incurred as part of the extension.

GODR funds: The GODR contribution covers such expenses as supervision of the new management systems and the printing of new forms developed under the project, after the initial months of operation.

Disease Control Component: (\$230,000 A.I.D., \$282,000 GODR)

A.I.D. funds: Under the original project, \$250,000 is allocated to this component to fund the installation of a laboratory for diagnosing dengue and yellow fever, establishment of a system for monitoring dengue prevalence and development of a plan for managing dengue hemorrhagic fever epidemics. Because of the devaluation of the peso against the dollar in recent years, fewer dollars were needed to carry out planned activities under this component. Therefore, the amount of funds in this component will be reduced by \$20,000, to \$230,000.

GODR funds: The GODR contribution covers such expenses as the salaries of SESPAS employees during the time that they participate in project

activities, purchases made by the National Laboratory to support the dengue surveillance program, and local currency funds that are being utilized to finance the schistosomiasis surveillance and control program.

Evaluation/Audit: (\$45,000 A.I.D., \$9,000 GODR)

A.I.D. funds: Under the original project, \$25,000 is allocated to fund project evaluations. To date, funds have been spent on the evaluation of the new SESPAS budgeting process, implemented for the first time when the 1988 budget was prepared. Under the project extension, \$20,000 will be added to this category, to finance other small internal evaluations and the mid-term and final project evaluations.

During the remainder of the LOP, two audits (one per year during the project's two remaining years) will be conducted of SESPAS management of project funds. The first such audit will be conducted shortly after signing the project amendment. Due to lack of sufficient project funds, audits will be funded with PD&S.

GODR funds: The GODR contribution covers the salaries of SESPAS employees during the time that they participate in project evaluations.

Project Management: (\$100,000 A.I.D., \$5,000 GODR)

This new component will be created with \$100,000 in A.I.D. funds to finance the salary of the USAID Project Manager, and \$5,000 in GODR funds to upgrade staff and facilities of the Dirección Nacional de Salud, the office coordinating the project.

Conclusion: The financial plan appears to be reasonable and adequate to accomplish the stated project objectives. Each participating entity should be able to meet its contributory obligations on a timely basis.

#### 4. Recurrent Costs

This project will assist SESPAS in better meeting its recurrent cost requirements, by instituting management systems that enable SESPAS to: better estimate its recurrent costs; obtain more adequate budgetary allocations from the GODR's National Budgeting Office; allocate its resources more productively; reduce the cost of providing services; and generate revenues through cost recovery programs. SESPAS' will not only be able to better meet its recurrent cost burden because of the project, but the project will not significantly increase SESPAS' recurrent costs, because the only recurrent costs associated with the project are the costs of maintaining and operating computer systems and vehicles purchased with project funds. Funds have already been included in SESPAS' budget to cover these costs.

#### 5. Methods of Implementation and Financing

Table VI illustrates the methods of implementation and financing for the A.I.D.-funded portion of the project. The methods of financing are preferred methods of financing under the Administrator's Payment Verification Policy Guidance and represent no deviation from the Mission's general assessment of financing policy and procedures.

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TABLE VI  
METHODS OF IMPLEMENTATION AND FINANCING

<u>METHOD OF IMPLEMENTATION</u>	<u>METHOD OF FINANCING</u>	<u>APPROX. AMOUNT</u> <u>(\$000)</u>
<u>SERVICES</u>		
1. Contract with A.I.D. Project Officer, <u>AID Direct PSC.</u>	Direct pay.	\$100,000
2. Contract with long term TA firm, <u>AID Direct Contract.</u>	Direct reimbursement	1,477,000
<u>TRAINING</u>		
1. In-country training, <u>Host Country Contract.</u>	Direct reimbursement	200,000
2. AUPHA management course, <u>A.I.D. Direct Contract.</u>	Direct reimbursement	70,000
3. Participant training, <u>A.I.D. Direct.</u>	Direct pay	4,000
<u>EQUIPMENT AND START-UP COSTS</u>		
1. <u>A.I.D. Direct Contract</u>	Direct pay	350,000
2. Host country contract	Direct pay	67,000
3. In-country procurements, <u>Host country contract.</u>	Direct reimbursement	137,000
<u>EVALUATION/AUDIT</u>		
1. Small internal evaluations, <u>Host country contract.</u>	Direct reimbursement	5,000
2. Final evaluation, <u>A.I.D. Direct Contract.</u>	Direct pay	40,000

## 6. Internal Control Vulnerability and Audit Coverage

SESPAS will utilize \$409,000 in A.I.D. funds to enter into host country contracts. Of this amount, the equivalent in pesos of \$342,000 will go into a revolving fund, managed by SESPAS' Dirección Nacional de Salud (DNS), so that SESPAS can be reimbursed by A.I.D. for the cost of in-country procurements, local training, per diems, and reproduction of forms and manuals. The remaining \$67,000 will fund host country contracts whereby purveyors are paid in dollars, directly by A.I.D. The DNS will utilize norms and procedures approved by A.I.D. This project is not particularly susceptible to fraud, waste or misuse of funds because two audits will be conducted, one per year during the remainder of the LOP, and based upon audit findings and an evaluation to be performed by the project's long term technical assistance Contractor, the project will finance the upgrading of the DNS under the "Project Management" component of the project, to ensure adequate management of project funds and efficient and effective procurement of project commodities by the DNS.

## 7. Implementation Plan

<u>Approximate Date</u>	<u>Activity</u>
Aug. 1988	Sign Amendment no. 3 to the Project Agreement.
Sept. 1988	Advertise long term TA contract.
Sept. 1988	Sign contract with A.I.D. Project Officer.
Nov. 1988	Sign long term TA contract.
Nov. 1988	Submit revised implementation plan for Management Systems Improvement Component of project, including updated list of specific reforms to be made under project.
Nov. 1988 - Aug. 1990	Design, implement and follow-up/supervise new management systems.
Nov. 1988	Initiate procurement of vehicles for supervisory system.
Nov. 1988	Complete buy-in to AUPHA.
Nov. 1988	Conduct internal evaluation of pilot computerized information system.
Dec. 1988	Based upon evaluation findings, initiate procurement of additional computer equipment.
Dec. 1988	Meet CP for Personnel
Jan 1989/1990	Meet CP for Budget

<u>Approximate Date</u>	<u>Activity</u>
August 1989	Meet CP for Cost Recovery System
August 1989	Interim Evaluation (Locally contracted)
June - Dec. 1990	Conduct final evaluation. Transfer project activities to new GODR administration.

#### 8. Evaluation Plan

According to Amendment Number 2 to the Project Agreement, the process of project implementation was to have been regularly evaluated through:

- a. The assessment of performance at "checkpoints" located at the end of each of the project's 5 implementation phases;
- b. Regular reviews of the disbursement of project funds; and
- c. Progress reports provided by the technical assistance team.

In fact, project performance has been monitored as follows:

- a. The technical assistance and project Coordinating Committee developed a list of specific management reforms to be implemented, with due dates and definition of who is responsible. Progress made in the achievement of these reforms is reported to the project's Coordinating Committee at monthly meetings (which the A.I.D. Project Officer attends). The Coordinating Committee takes action to resolve any problems arising in project implementation.
- b. The Health and Population Division is kept abreast of project performance through the TA firm's quarterly Progress Reports and PERT charts and membership in the project's Coordinating Committee.
- c. The Mission is informed about project performance and the pace of funds disbursement through monthly checklist meetings and semester reviews.
- d. Small, internal evaluations are conducted to improve project performance or make project decisions. For instance, in preparation for the 1989 budgeting cycle, SESPAS evaluated the process it used to develop its 1988 budget. Also, a small evaluation of the pilot computerized information system is contemplated to enable SESPAS and A.I.D. to decide whether and how to expand the system.

Since this monitoring system has been successful, it will be continued under the project amendment. The project's Coordinating Committee will expand the list of specific management reforms to be implemented, incorporating new

areas covered under the amendment. Also, to measure whether the project is increasing the quantity and quality of SESPAS-delivered primary health care services, a system will be developed whereby SESPAS' budgeting and information systems monitor the project's impact on health service delivery.

In addition to this monitoring system, an interim evaluation will be conducted in August of 1989, to determine progress under the amended project. This evaluation will be funded with local currency and will include USAID involvement in the selection of the evaluator(s) and development of the scope of work.

A final evaluation will be conducted by a qualified firm or individual during the last two months of the project, and will focus on the attainment of the project's purpose and objectives. USAID will develop the scope of work and be closely involved in the selection of the evaluation team.

Project Title & Number: Health Systems Management (517-0152)

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<p><b>A.1 Goal</b>                      To increase the quantity and quality of SESPAS-delivered Primary Health Care services.</p>	<p><b>A.2</b></p> <ol style="list-style-type: none"> <li>National immunization coverage (measles and DPT) increased from 25% to 80% by 1991.</li> <li>National OHS consumption increased from 100,000 to 1,000,000 packets/year by 1991.</li> <li>National contraceptive prevalence with effective methods increased from 40% to 50% among married women by 1991.</li> <li>National growth monitoring coverage increase to 25% by 1991.</li> <li>Identification, control, and treatment of dengue and schistosomiasis available nationally</li> </ol>	<ol style="list-style-type: none"> <li>Management systems base-line survey.</li> <li>SESPAS Health Services Information system.</li> <li>Follow-up contraceptive prevalence survey.</li> <li>National reporting systems for dengue; statistics for dengue and other diseases.</li> </ol>	<p><b>A.4</b></p> <ol style="list-style-type: none"> <li>Child survival continues to be a high priority of COBR health policy.</li> <li>SESPAS allocates target 2 of budget to cover capital and operating expenses, rather than salaries.</li> </ol>
<p><b>b.1 Purpose</b>                      To improve SESPAS management systems and concurrently to develop the capacity within SESPAS to administer and manage health services through improved management systems and skills training.</p>	<p><b>b.2 EOPS</b></p> <p><u>Management Systems:</u></p> <ol style="list-style-type: none"> <li>The MIS will routinely provide information on the performance of each management system, budget, personnel, information, purchasing), based on norms to be established during project implementation.</li> <li>Recurring costs of all activities will be routinely estimated, and cost recovery policies and systems utilized.</li> <li>Majority of SESPAS personnel will have job descriptions in a standard format.</li> <li>Disease Control programs fully established and operating.</li> </ol> <p><u>Training:</u></p> <ol style="list-style-type: none"> <li>Majority of SESPAS personnel trained in administrative skills required to perform their jobs</li> </ol>	<p><b>b.3</b></p> <ul style="list-style-type: none"> <li>Management systems base-line survey.</li> <li>SESPAS MIS</li> <li>Site visit reports</li> </ul>	<p><b>b.4</b></p> <ul style="list-style-type: none"> <li>SESPAS maintains current level of interest in and commitment to development and implementation of improved management systems.</li> <li>Management system performance depend on training EOPS.</li> <li>SESPAS maintains current level of interest in and commitment to, management training.</li> <li>Turnover of trainers is minimal.</li> <li>Training EOPS depend on management system performance EOPS.</li> </ul>
<p><b>C.1 Outputs*</b></p> <ol style="list-style-type: none"> <li>Financial management improvements</li> <li>Management information system improvements</li> <li>Personnel administration improvements</li> <li>Monitoring/supervision of systems</li> <li>Purchasing system improvements</li> <li>Administrators trained</li> <li>Continued implementation of disease control programs</li> </ol>	<p><b>C.2 Output Indicators*</b></p> <ol style="list-style-type: none"> <li>13 reforms/activities accomplished</li> <li>11 reforms/activities accomplished</li> <li>10 reforms/activities accomplished</li> <li>4 reforms/activities accomplished</li> <li>4 reforms/activities accomplished</li> <li>400 trained</li> <li>Dengue and Schistosomiasis surveillance/control programs, in place.</li> </ol>	<p><b>C.3</b></p> <ol style="list-style-type: none"> <li>Project Documentation</li> <li>New SESPAS written norms, policies, manuals, etc.</li> <li>Survey and research reports.</li> <li>Consultants' reports.</li> <li>Evaluation.</li> </ol>	<p><b>C.4</b></p> <ul style="list-style-type: none"> <li>Project sponsored technical assistance team works effectively with SESPAS counterparts.</li> </ul>
<p><b>D.1 Inputs</b></p> <ol style="list-style-type: none"> <li>Long-term Technical Assistance (\$1,507,000)</li> <li>In-country training (\$270,000)</li> <li>Equipment (\$234,000)</li> <li>Start-up Costs (\$60,000)</li> <li>Disease control equipment, training and technical assistance (\$230,000)</li> <li>Participant training (\$4,000)</li> <li>Evaluation/Audit (\$45,000)</li> <li>Project Management (\$100,000)</li> </ol>	<p><b>D.2</b></p> <ol style="list-style-type: none"> <li>T.A. Contract signed</li> <li>Course developed and implemented.</li> <li>Equipment procured, installed and functioning.</li> <li>Start-up activities and procurements executed.</li> <li>Equipment procured, laboratory and surveillance systems functioning.</li> <li>SESPAS personnel trained.</li> <li>Evaluations/audits conducted.</li> <li>A.I.D. Project Officer contracted.</li> </ol>	<p>SESPAS records, invoices, TA contracts.</p>	<ol style="list-style-type: none"> <li>AID funds continue to be made available.</li> <li>COBR counterpart is available.</li> </ol>

\*See accompanying tables for detailed information on outputs.

Annex B  
SUMMARY OF OUTPUTS

<u>PREVIOUS PROJECT</u>	<u>STATUS</u>	<u>PROJECT EXTENSION</u>
<u>Financial Management</u>		
1. SESPAS' budgeting procedures will be revised so that future budgets are based on programmatic targets set by each SESPAS operating unit. A calendar will be prepared for developing, approving and executing the next SESPAS budget, which will provide for the direct participation of each operating unit in the budgeting process.	Completed.	Continue working with SESPAS in the preparation of budgets for CYs 1989 and 1990.
2. SESPAS personnel will be trained in cost-benefit analysis, to help them determine whether to establish new programs and reorient or continue funding existing ones.	Completed.	-
3. Indicators of efficiency, productivity and quality will be established for SESPAS programs and activities.	Completed.	-
4. SESPAS' Subsecretariat of Planning, General Directorate of Finances, and Office of Internal Auditing will be reorganized and their functions redefined.	Completed.	-
5. A simple cost accounting system for hospitals, subcenters and clinics will be designed and implemented.	System designed but not yet implemented.	Implement and supervise/monitor cost accounting system. Adjust and expand system.
6. A procedure manual will be developed and instituted for determining how much money to provide to public hospitals, including guidelines for postponing or refusing payment if certain conditions haven't been met.	Completed.	Follow-up/supervise implementation.
7. Procedure manuals will be developed and instituted for the authorization of official signatures and control of the flow of checks.	Completed.	Follow-up/supervise implementation.

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PREVIOUS PROJECT

STATUS

PROJECT EXTENSION

- |  |   |   |
|--|---|---|
| 8. A system of obligating funds before making commitments will be developed and instituted.  | Completed.  | Follow-up/supervise implementation.   |
| 9. A procedure manual will be developed and instituted to ensure that paychecks are issued only to current SESPAS employees.   | Not completed due to delays in personnel reforms.                       | Complete this output.   |
| 10. Reporting formats will be revised so that relevant financial information is systematically provided to SESPAS authorities. SESPAS personnel will be trained in techniques of analyzing financial reports and solving financial problems. | Completed.  | Integrate financial reporting in the computerized information system and begin widespread use of financial reports. |
| 11. Norms and procedures will be developed and implemented for petty cash control.   | Completed.  | Follow-up/supervise implementation.   |
| 12. An accounting system will be instituted for the control of funds generated by cost recovery programs.  | Not completed due to lack of a SESPAS policy in favor of cost recovery. | Develop, issue and implement a cost recovery policy and develop and implement a user fee accounting system.         |
| 13. -  | -   | Redistribute SESPAS resources as per the new budgeting procedures. Monitor budget execution.                        |

Management Information Systems

- |  |            |                       |
|--|------------|-----------------------|
| 1. The SESPAS Statistics Department will be reorganized.   | Completed. |                       |
| 2. SESPAS personnel will be trained in information system procedures (eg. techniques of preparing forms, data processing, coding of health data, data utilization in decision-making, basic statistics, health information systems, and familiarization with computers). | Underway.  | Complete this output. |

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<u>PREVIOUS PROJECT</u>	<u>STATUS</u>	<u>PROJECT EXTENSION</u>
3. The information needs of SESPAS will be documented.	Completed.	-
4. Forms used by SESPAS will be reviewed and redesigned, and the following information will be included in the information system: budget and program execution, financial reports, cost control, service and facilities utilization, operating efficiency, service quality, productivity, morbidity and mortality data.	Completed.	Additional routine reports will be developed and implemented.
5. Data entry and processing procedures will be evaluated in terms of sufficiency, speed and accuracy, and recommendations implemented to improve the system.	Completed.	-
6. The feasibility of computerizing some procedures in the short run will be evaluated, a data processing procedure manual will be developed and SESPAS staff trained in its use.	Completed on a pilot basis.	The computerized information system will be expanded to six regions not currently included in the system.
7. Basic data processing equipment including computer hardware and software will be procured, or equipment already belonging to SESPAS will be reallocated.	Completed on a pilot basis.	Follow-up will be provided to computer systems that have been installed. Additional computers will be procured and installed, and the MIS expanded to six new regions.
8. A system for including "feedback" in the information flow process will be developed. Information will be sent back to the regional and local levels, and people trained in how to use the information provided.	Not completed.	Complete this output.
9. Norms and procedures will be established for data quality control.	Not completed.	Complete this output.
10. A Standard Coding Manual will be prepared and implemented.	Completed.	-

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PREVIOUS PROJECT

STATUS

PROJECT EXTENSION

11. A system will be designed for periodically gathering morbidity and service utilization data by way of house-to-house sample surveys.

Not completed.

Complete this output.

Human Resources Management

1. The personnel department will be restructured, positions will be defined and filled with qualified people who will be trained.

Underway.

Complete this output.

2. A personnel policy will be developed and implemented.

Policy recently issued, implementation underway.

Complete this output.

3. Simple methods for classifying positions will be developed and implemented.

Not completed.

Complete this output.

4. Job descriptions will be prepared for approximately 30 top level SESPAS officials.

Underway.

Complete this output.

5. The Personnel Regulation prepared by SESPAS in 1985 will be analyzed, updated and implemented.

Underway.

Complete this output.

6. The following personnel manuals prepared in 1980 (but never implemented) will be updated and gradually implemented: "Recruitment, Selection and Hiring of New Personnel" and "Performance Evaluation and Personnel Programming".

Underway.

Complete this output.

7. Procedures for maintaining a personnel registry will be updated and SESPAS personnel trained to maintain a perpetual inventory of personnel, by category, service level, health facility, and source of financing.

Not completed.

Complete this output.

1/16

PREVIOUS PROJECT

STATUS

PROJECT EXTENSION

8. Current and projected costs of personnel will be determined by region, health facility, service level and category.

Completed.

9. Employee productivity and quality standards will be developed and personnel evaluation instituted.

Underway.

Complete this output.

10. Supervision guidelines will be developed and SESPAS employees trained in their use.

Not completed.

Complete this output.

Supervision/Monitoring of Systems

1. (The previous project did not have supervision/monitoring outputs)

-

Develop guidelines for supervising/monitoring the implementation of new management systems.

2. "

-

Procure eight vehicles, one for each of the 2 pilot regions and one for each area in those regions.

3. "

-

Develop and implement maintenance and control procedures for vehicles purchased under the project.

4. "

-

Develop and implement procedures for operating a central level motor pool.

5. "

-

Design and implement a monitoring system to determine the impact on productivity of training, management reform, incentives and reallocation of resources implemented under the project.

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PREVIOUS PROJECT

STATUS

PROJECT EXTENSION

Purchasing and Supply

1. (The previous project did not have purchasing and supply outputs.)

-

Norms and procedures will be developed and implemented for central and regional level purchasing processes, including procurement, storage, distribution, evaluation and control.

2. "

-

The organization and functioning of central level procurement, warehousing and distribution system will be studied and reforms recommended and implemented.

3. "

-

Based upon the results of a needs assessment, warehousing capacity will be adjusted accordingly and internal controls established at the central and facility levels.

4. "

-

The use of bulk purchasing will be increased, particularly regarding medications.

Training of Administrators

1. (The previous project did not have training of administrator outputs.)

-

Develop a managerial course and train 400 mid-level SESPAS administrators.

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República Dominicana  
*Secretaría de Estado de Salud Pública y Asistencia Social*

DSE

32294

Santo Domingo, D. N.

24 NOV 1987

Dr. Lee Hougen  
Jefe División Salud y Población  
Agencia de los Estados Unidos de América  
para el Desarrollo Internacional (A.I.D.)  
Santo Domingo, República Dominicana

Estimado Dr. Hougen:

El Proyecto de Asesoría del Manejo de los Sistemas de Salud (A.I.D. 517-0153), que auspicia y financia la A.I.D., ha constituido un medio eficaz para introducir mejoras sustanciales en los sistemas gerenciales y de control de la Secretaría de Estado de Salud Pública y Asistencia Social (SESPAS). Realizaremos todos los esfuerzos que estén a nuestro alcance para establecer un proceso continuo de análisis operativo y de mejoras a esos sistemas, manteniendo la institucionalización de éstos que el Proyecto está logrando.

Existen algunas áreas gerenciales que guardan una relación estrecha con los objetivos y propósitos del Proyecto que no están cubiertos por éste, a pesar de que su situación es precaria. Nos referimos a las áreas de compras y suministros, transportación y mantenimiento.

En el informe sobre una evaluación de la Secretaría de Estado de Salud Pública y Asistencia Social (SESPAS) relacionada con los servicios de Salud Primaria (septiembre de 1983) se destacó la necesidad imperiosa de fortalecer los sistemas de logísticas y suministros. Se afirma en ese informe que el desempeño oportuno en esas áreas es una pre-condición para el éxito de los programas de servicio de SESPAS. Se señala que no se le ha atribuido valor cultural alguno a esos sistemas. El documento que sirve de base al Proyecto 517-0153 igualmente reconoce las grandes deficiencias de los mismos. Estas deficiencias prevalecen en SESPAS al día de hoy. Debemos añadir que los sistemas de logísticas y suministros son, además, un componente esencial del sistema de controles financieros y presupuestarios.

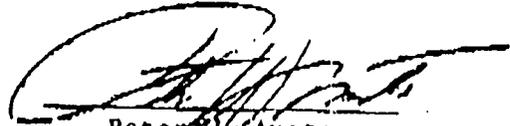
La importancia de esos sistemas fue reconocida por la Agencia para el Desarrollo Internacional (A.I.D.) al incluir los mismos originalmente en el Proyecto A.I.D. 517-0153. Esos sistemas fueron eventualmente excluidos del Proyecto por insuficiencia de fondos.

INITIAL ENVIRONMENTAL EXAMINATION

Project Location : Dominican Republic  
Project Title : Health Systems Management Supplement  
Funding : FY 1988 - \$950,000  
Life of Project : 5.5 years (this extension - 2 years)  
IEE Prepared by: Mary Beth Allen, PDO

Environmental Action Recommended:

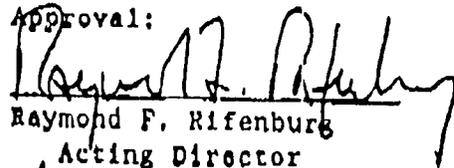
Categorical Exclusion



Peter W. Amato  
PDS/TDY

Aug 16, 1988  
Date

Approval:



Raymond F. Rifenburg  
Acting Director

August 16, 1988  
Date

INITIAL ENVIRONMENTAL EXAMINATION

I. EXAMINATION

The propos and purpose as the impact of institutional and personnel dengue), and monitoring/au project manag reflect proje original PP. were reduced of ongoing ac component est planned and place in this activities i with no cont

During the p control comp

This supplen additional / \$2,450,000 : Total proje infrastruct

II. RECOMME

This p: development the scope activities from furth

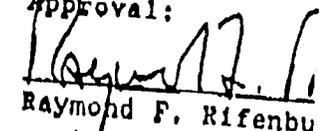
Project Location  
Project Title  
Funding  
Life of Project  
IEE Prepared by:

: Dominican Repul  
: Health Systems Supplement  
: FY 1988 - \$950,  
: 5.5 years (chis years  
: Mary Beth Allen,

Environmental Action Recommended:

Categorical Excl

  
Peter W. Amat  
PDS/TDY  
Aug 16 1988  
Date

Approval:  
  
Raymond F. Rifenbush  
Acting Director  
August 16, 1988  
Date

IMPACT IDENTIFICATION AND EVALUATION FORM

Impact  
Identification  
and Evaluation 1/

Impact Areas and Sub-Areas

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 soil character..... N
2. Altering natural defenses..... N
3. Foreclosing important uses..... N
4. Jeopardizing man or his works..... N
5. Other factors

B. AIR QUALITY

1. Physical state of water..... L+
2. Chemical and biological states..... L+
3. Ecological balance..... N
4. Other factors

- 1/
- N - No environmental impact.
  - L - Little environmental impact.
  - M - Moderate environmental impact.
  - H - High environmental impact.
  - U - Unknown environmental impact.

G. ATMOSPHERIC

- 1. Air additives.....     N
  - 2. Air pollution.....     N
  - 3. Noise pollution.....     N
  - 4. Other factors
- 
- 

D. NATURAL RESOURCES

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

E. CULTURAL

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

F. SOCIO-ECONOMIC

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

G. HEALTH

- 1. Changing a natural environment.....   N
- 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

\_\_\_\_\_

\_\_\_\_\_

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D C 20523

LAC-IEE-88-37

## ENVIRONMENTAL THRESHOLD DECISION

Project Location : Dominican Republic

Project Title : Health Systems Management Supplement

Project Number : 517-0153

Funding : \$950,000

Life of Project : 5 1/2 years

IEE Prepared by : Mary Beth Allen  
USAID/Santo Domingo

Recommended Threshold Decision : Categorical Exclusion

Bureau Threshold Decision : Concur with Recommendation

Comments : None

Copy to : Thomas Stukel, Director  
USAID/Santo Domingo

Copy to : Mary Beth Allen,  
USAID/Santo Domingo

Copy to : Andre DeGeorges, RDO/C Bridgetown

Copy to : Patricia Buckles, LAC/DR/CAR

Copy to : IEE File

*James S. Hester* Date AUG 19 1988

James S. Hester  
Chief Environmental Officer  
Bureau for Latin America  
and the Caribbean

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