

PD-ABB-384

OCT 22 1982

A.I.D. Project Number 532-0064
Project Agreement 82-8
Amendment No. 1
Loan No. 532-U-015-B

PROJECT
LOAN AGREEMENT
BETWEEN
THE GOVERNMENT OF JAMAICA
and the
UNITED STATES OF AMERICA
for
HEALTH MANAGEMENT IMPROVEMENT

Amendment No. 2 to Project
Agreement 81-7 which is dated
September 24, 1981

Appropriation: 72-11X4103
Budget Plan Code (BPC): LPHX-82-35532-CL13

Dated: September 30, 1982

RECORD COPY

A.I.D. Project Number 532-0064
Project Agreement 82-8
Amendment No. 1

The purpose of this Amendment is to provide additional A.I.D. Loan funding to the Project in the amount of US\$746,000 from FY 82 A.I.D. funds.

The following sections of the Project Agreement dated June 11, 1982 are amended as indicated. All other sections and provisions of the Agreement not modified herein remain unchanged.

Article 3: Financing

SECTION 3.1 The Loan is deleted in its entirety and replaced by the following: Quote

SECTION 3.1 The Loan

To assist the Borrower to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to lend the Borrower under the terms of the Agreement an amount not to exceed Eight Million One Hundred and Forty-Six Thousand ("U.S.") Dollars (\$8,146,000.00) ("Loan"). The Loan may be used to finance foreign exchange costs, as defined in Section 7.1, and local currency costs, as defined in Section 7.2, of goods and services required for the Project. End quote.

SECTION 3.2(b) Borrower Resources for the Project

This section is deleted in its entirety and replaced by the following: Quote

SECTION 3.2(b) Borrower Resources for the Project

On the basis of an eventual total contribution by A.I.D. of not less than U.S.\$1,017,000 in grant funds and U.S.\$8,554,000 in loan funds which amounts are subject to availability of funds to A.I.D. and to the mutual agreement of the Parties the resources provided by Borrower for the Project will be not less than the equivalent of U.S.\$3,190,000 including costs borne on an "in-kind" basis. End quote.

ANNEX 1 AMPLIFIED PROJECT DESCRIPTION

C. Project Components is deleted in its entirety and replaced by the following: {quote

1. Manpower Development and Training

With the severe budget constraints and the out-migration of trained medical personnel over the past five years, it is essential to upgrade skills of non-physician primary health care professionals to provide improved service at lower cost. A health manpower inventory, initiated as a pre-Project activity, will be further refined and implemented and will provide base-line information. This management and planning instrument will be designed for continuous updating and will enable the MOH to identify the skills and capabilities in its staff and the additional training, skills upgrading and personnel required. The Project will provide the materials, training, and technical assistance needed to develop the system.

To facilitate more efficient use of medical professional personnel an improved management system will be developed to alleviate physicians, nurses and other health professionals of time consuming administrative tasks. Seventeen health service administrators will be hired on short term two year contracts at the end of which, MOH will absorb these positions into their regular budget. One administrator will be assigned to each of the 13 parishes to assist the Parish Medical Officers. One position will be given to assist the Principal Medical Officer for PHC, and the remaining 2 positions will be assigned to the Central Management Services Unit. This Unit will provide permanent institutionalized management analysis and development capability for the MOH.

2. Health Planning

The MOH has recently established a Planning and Evaluation Unit which will provide much of the analytic base and policy planning guidance essential for efficient management of the primary health care system. The Project will strengthen the capacity of the Planning and Evaluation Unit to plan and evaluate primary care programs. An estimated total of 15 person-months of technical assistance and 4 person-months of short-term training will be financed by A.I.D. to meet this objective.

While the PHC system provides medical care to a large segment of the Jamaican population, there are limits on the scope of these services due to financial constraints. In an attempt to utilize existing resources more efficiently and explore alternative health service delivery systems, a private sector health initiative study will be done. This comprehensive assessment of possible alternative financing schemes and service delivery models for health services in Jamaica in both the public and private health sectors is required to produce recommendations for that scheme or model, or that combination of schemes and models, best suited for the Jamaican situation. Such an assessment will produce recommendations for overcoming fundamental long-range problems of health care financing and delivery of services, including specific recommendations for a new private sector initiative that will compliment and support the existing widespread but inadequate public sector health services network. Moreover, recognizing that primary care is not

easily separated from secondary and tertiary services, the major focus of the assessment must nevertheless be upon basic or primary care services within the usual broad interpretation of that term. The study team will consist of a health economist, a health systems design specialist and social science research specialist from the University of the West Indies, Department of Social and Preventive Medicine. The anticipated outcome of the study will be recommendations for a new private sector health initiative within the Health Management Improvement Project.

3. Health Information Systems

A national health information system, compiling and utilizing mortality, morbidity and nutrition data and vital statistics, will be designed and implemented with the benefit of an estimated 41 person-months of technical assistance in the areas of program and system analysis, statistics and sample design, data analysis and interpretation and survey and questionnaire design. This valuable and continuously updated system will permit the optimum use of limited resources by clearly identifying health problems, so that preventive and corrective efforts can be properly directed. The Project will finance statistical recording supplies and software. Rental of key punch machines and computer time will be furnished by the Central Data Processing Unit (CDPU). The Government of Jamaica (GOJ) will also provide equipment, supplies and costs of international travel. The Project will provide significant institution building for the Statistical Information Services (SIS) Division of the MOH in the form of training and equipment. In addition, the MOH will add 4 additional staff to the Division in order to carry out its expanded responsibilities for health information systems development and management. Data gathering and over-all familiarization training will be provided by the Division to the MOH field staff.

Support will also be given to help the MOH improve its communications systems, both headquarters internal communications as well as communications between parish administrative offices, health centers and backup referral hospitals. A pilot program will be carried out in three parishes which will link the parish medical office of health with parish health centers and referral hospitals. Concurrently a feasibility study will be conducted to determine the practicality of establishing a radio network to link parish offices, health centers and referral hospitals; project support will include the equipment requirements and the technical design of such a system.

4. Renovation and Construction

During the first 36 months of the Project, 65 health centers will be renovated. As a result, all of the MOH-owned centers in Surrey and Middlesex counties delivering primary health care will be in adequate physical condition for full operation. Most health centers are not owned by the MOH but are characterized by many of the same physical problems and deficiencies that characterize the MOH-owned centers which will be renovated under the Project. Therefore, a comprehensive maintenance policy and plan will be formulated and implemented by the MOH in order to ensure that an adequate standard of care is delivered through leased health facilities located in private buildings.

5. Supply Management and PHC Equipment

Essential to proper functioning of the primary health care (PHC) network is the smooth flow of parts and supplies to all parts of the system as well as the provision and maintenance of appropriate equipment. Therefore, essential

imported medical and dental equipment and spare parts now lacking in the PHIC network will be financed under the Project and an improved supply management system for procurement, inventory control and distribution will be designed and implemented with approximately 12 months of technical assistance from a medical supply expert. Training in supply management will be given to all appropriate staff, and materials handling and equipment and supply transport vehicles will be financed under the Project. The Project will also finance the construction and equipping of a maintenance workshop which will repair and service equipment and fabricate spare parts and some equipment in-country to the maximum practicable extent. In addition, the MOH will hire an additional 5 maintenance and supply personnel considered essential for smooth operation of an improved equipment maintenance and supply system and will contribute additional training materials, travel expenses and allowances for trainers and trainees.

To assist the MOH in formulating and carrying out its ambitious plan for developing a comprehensive facilities and equipment maintenance system, the project will support the services of a long-term maintenance advisor. In addition, the project will fund training for maintenance personnel which the MOH will place in each parish medical office of health to monitor and carry out health center maintenance for the parish. Tools and basic maintenance equipment will also be provided through the Project for the parish maintenance personnel.

6. Nutrition

The Division of Nutrition and Dietetic Services (Nutrition Unit) of the MOH has developed a strategy to improve the nutritional status of the population which focuses on 4 major elements: supplementary feeding, nutrition surveillance, nutrition education and communications and training.

A qualified and experienced nutritionist who is also a nutrition management specialist will provide fourteen PM of technical assistance to the Nutrition Unit. The advisor's expertise in management will umbrella the four major elements of project's focus thereby strengthening the unit's both the technical and the managerial capabilities of the Nutrition Unit.

Working with existing Nutrition Unit staff, the nutrition management specialist will assist with an evaluation and redesign of the national supplementary feeding program, and a nutrition surveillance system which will continuously acquire and update information on nutritional status to direct scarce nutrition resources to persons in greatest need. MOH clinical personnel will receive in-service training in data gathering and nutrition diagnostic and remedial procedures, while the Division of Nutrition and Dietetics will receive in-service training in the administration of nutrition surveillance.

A public education activity emphasizing selected nutrition themes will be implemented and directed primarily at women who are pregnant, anemic or have children under age five. It will employ various modes of communication, e.g., radio campaigns, group meetings, clinic consultations, a mobil audio-visual aid unit, etc. Technical assistance will be provided for the preparation of training materials and radio scripts. Radio airtime will also be financed through the Project.

The GOJ will contribute to local costs of in-country training of MOH staff, a share of the costs of materials and equipment and international travel and allowances.

D. Project Costs is deleted in its entirety and is replaced by the following:
Quote

D. Project Costs

During the four-year implementation period of this Project, A.I.D. will provide, subject to the availability of funds to A.I.D. for this purpose, and the agreement of A.I.D. and the GOJ, at the time of each subsequent increment, to proceed, up to U.S. \$8,554,000 in loan funds and up to U.S. \$1,017,000 in grant funds, as follows:

SUMMARY OF ESTIMATED PROJECT INPUTS

	<u>AID LOAN</u>	<u>AID GRANT</u>	<u>GOJ CONTRIBUTION</u>	<u>TOTAL</u>
Commodities	1,775,138	320,000	291,046	2,386,184
Training	571,812		82,128	653,940
Technical Assistance	1,222,040	697,000		1,919,040
Support Costs: (Operating Maintenance & Personnel)	535,670		1,715,295	2,251,965
Inflation Allowance for above	619,042		537,305	1,156,347
Renovation & Construction (A&E contingency infla- tion included)	3,523,923		307,614	3,831,537
Evaluation			90,000	90,000
General Contingency Allowance	<u>306,705</u>	<u> </u>	<u>166,612</u>	<u>473,317</u>
	8,554,000	1,017,000	3,190,000	12,761,000

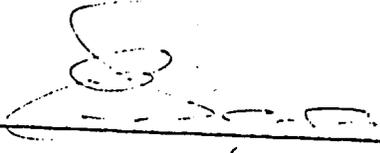
Project total
\$12,761,000

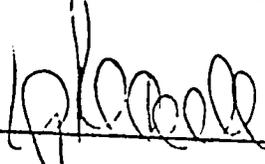
End quote.

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

GOVERNMENT OF JAMAICA

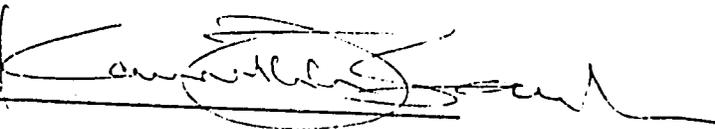
UNITED STATES OF AMERICA

By: 

By: 

Title: Minister of Finance
Ministry of Finance

Title: Director
USAID/Jamaica

By: 

Title: Minister of Health
Ministry of Health