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AGENCY FOR INTERNATIONAL DEVELOPMENT  
UNITED STATES OF AMERICA A. I. D. MISSION  
TO EL SALVADOR  
C/O AMERICAN EMBASSY.  
SAN SALVADOR, EL SALVADOR, C. A.

April 26, 1991

MEMORANDUM TO THE DIRECTOR

FROM: Deborah Kennedy, PRJ 

SUBJECT: Project Assistance Completion Report - Health Systems  
Vitalization (VISISA) Project (No. 519-0291)

I. PROJECT BACKGROUND AND DESIGN

On September 23, 1983, the AA/LAC authorized the Health Systems Vitalization (VISISA) Project with a total Life-Of-Project (LOP) funding of \$25,000,000 (including \$23,400,000 in loan funding and \$1,600,000 in grant funding) and a PACD of January 1, 1986. An increase of \$400,000 in LOP funding was subsequently authorized on September 28, 1984. The Project Authorization was further amended on August 15, 1985 to extend the PACD to December 31, 1986. On September 13, 1985, an increase in LOP funding of \$10,225,000 in grant funding for a total of \$35,605,000 (\$23,380,000 in loan funding and \$12,225,000 in grant funding) was authorized. On November 28, 1986 the PACD was extended for four months, from December 31, 1986 to April 30, 1987. On April 2, 1987 it was extended from April 30, 1987 to July 31, 1987.

The Project sought to address the most critical short term health needs of the country by providing essential medical drugs and supplies, equipment, and related services, and by strengthening the Ministry of Health's (MOH) ability to carry out its planning, management, budget, quality control, logistics, maintenance and training functions, in order to utilize existing MOH resources more effectively. The Project also increased the Ministry's emergency medical services "quick response" capacity.

A. Project Purpose

The overall objective of the Project was to improve the health status of the Salvadoran population. The Project assisted the Ministry of Public Health and Social Assistance (MOH) to: (1) increase the existing levels of primary health care and emergency medical services by meeting the critical short term needs of the Ministry for essential goods and services; and (2) vitalize the institutional capacity of the Ministry to more effectively execute their existing systems in health supplies management, maintenance, and information management. The A.I.D. contribution terminated on July 31, 1987, and the overall evaluation was that of an "A" Project, which was the direct result of intensive efforts on the part of the USAID/El Salvador project staff and AID/W.

The direct beneficiaries of the Project were primarily rural residents who have received and will continue to receive an increase in the level of health services, including access to medicines, immunizations, and critical medical supplies not available when the Project was designed.

B. Project Components

The Project consisted of four major components:

1. Health supplies management:

A.I.D. provided the MOH with an adequate supply of critically needed commodities to sustain existing levels of primary health care. A.I.D. also provided technical assistance, training, supplies, and materials for the construction/refurbishing of warehouses to restore the Ministry's logistical supply system. The Project also assisted the Ministry to improve their planning, management, and administration of the health supplies system.

2. Public health infrastructure maintenance:

This component attempted to upgrade the MOH's existing capability to plan, manage, and implement their maintenance system for medical equipment, vehicles and health infrastructure; and to establish a preventive maintenance system.

3. Management information system:

The purpose of this component was to augment the MOH's capability to collect, process, and store data in order to produce meaningful management information.

4. Emergency medical services:

This component addressed the MOH's capability to provide emergency medical services, specifically for war-related trauma.

C. Analysis of the Present Status of the Project

The Project terminated on July 31, 1987, but many of its activities have continued and served as the basis for follow-on USAID assistance (i.e. Health Systems Support) and other donor projects.

## II. PROJECT ACCOMPLISHMENTS

A. The health care capacity of the MOH was maintained despite declining public sector finances through Project inputs.

B. Additions to and improvements in the MOH's physical infrastructure carried out under the Project strengthened the health system.

C. The drugs and medical supplies provided by the Project filled a large portion of the health system's needs during a critical time period. Additionally, boilers, construction of operating rooms, and purchase of X-Ray machines and other equipment financed by the Project enabled hospitals to meet hygienic standards and attend to the country's increased needs for medical attention.

D. The Project support for the Malaria Program had a major impact on lowering the number of malaria cases in 1986 and 1987.

E. The Project enabled the MOH to deal effectively with the distribution and supply of drugs and medical supplies for emergency relief efforts following the 1986 earthquake.

F. The cold chain equipment provided by the Project continues in use and is helping to prevent loss of perishable medicines and blood.

G. The Project-supported vehicle maintenance program has been well organized and has had considerable success in streamlining and standardizing the fleet, implementing cost controls, and providing preventive maintenance. Moreover, the MIS system put into use created high receptivity of MOH to computer systems and use.

H. Under the emergency medical services component, emergency medical equipment was supplied and teaching modules for trauma care were developed.

## III. EVALUATION AND AUDITS

### A. Evaluations

The final evaluation of the Health Systems Vitalization (VISISA) Project was carried out in April 1987 by a four-person team from Management Sciences for Health (MSH).

The evaluation concluded that the health care capacity of the MOH was markedly strengthened by the pharmaceuticals, supplies, vehicles, and medical equipment provided by the Project, as well as by improvements and additions to the physical infrastructure, including warehouses and workshops for repair and maintenance of vehicles and biomedical equipment. The vehicle maintenance and malaria components of the Project were the most successful. Gains were made in improving the selection, procurement, distribution, and warehousing of pharmaceuticals and medical supplies, but further improvements are needed. The computerized Management Information System (MIS) began to operate in 1987, but further training is needed for both users and operators. Progress was more difficult in biomedical equipment maintenance and in the training aspect of emergency medical services. The evaluation recommended that private sector alternatives be explored in these areas.

In general, the evaluation stressed that the follow-on Project should place greater emphasis on institutional development (as opposed to resource transfer), on developing the Ministry's capacity for management and planning, on training mid-level managers and technicians, and on improving services at the level of health post, units and communities.

#### IV. SUMMARY OF LESSONS LEARNED

A. Institution building is not accomplished with "resource transfer" alone, and it takes time. In this case, three to five years was clearly insufficient.

B. Continuity in technical assistance has positive effects on results and is an important element in institution building.

C. MOH policy decisions are key to making the system effective, and, while effecting these types of changes is time-consuming, they should not be sacrificed to meet external pressures for "quick results".

D. Cooperation between management groups (TA, MOH, A.I.D.) is important and must begin early in the project.

E. A fuller assessment of MOH personnel skill levels should be performed, either during project design or during the implementation of emergency programs which become "developmental", as did VISISA. This was a major constraint to project success, and training should have been a higher priority.

F. Hospitals have an advantage over the rest of the system in obtaining resources, and measures must be taken to elevate the priority of lower-level care facilities.

G. Project Papers should be written with enough specificity concerning what will take place and how, but should also be flexible regarding those things that are almost certain to require modification.

In this case, the PP/Project Agreement budgets had detailed line items that required continual modification during the life of the Project. It would be desirable to consider preparing illustrative budgets for these documents and to permit modification of up to 25% at the discretion of the host government and A.I.D., without the necessity of time consuming Project Implementation Letters.

V. RECOMMENDATIONS

A. Every effort should be made to build the capacity of the MOH to make effective management decisions. The MOH needs to be able to analyze health needs and do effective health planning. These objectives can be furthered if there is an effective MIS.

B. The APSISA Project emphasis, as opposed to the VISISA, is appropriately targetted, i. e., a gradual transition from "resources transfer" to true health sector development.

C. Training programs for mid level technicians and managers need to be strengthened and emphasized.

D. There should be improved, more consistent lines of communication between the TA team, the MOH, and USAID. The TA team for APSISA should have offices in the MOH. There needs to be a clear understanding of which tasks are to be done by the TA team, or by the MOH or USAID.

E. The integrated resource-based health programming methodology which was implemented on a pilot basis in the Western Region should be continued and expanded.

F. The pharmaceutical procurement and distribution system, including monitoring, transportation and warehousing, needs further improvement. Policy and procedural changes must be made to put the rural health facilities at least on par with the hospitals in priority for drug distribution.

G. APSISA should build on VISISA by continuing support to those programs in the MOH which have had the most success, e.g. malaria and vehicle maintenance. For the programs that are more problematical, such as the biomedical maintenance and emergency medical services, alternatives should be explored, such as the use of the private sector.

H. Means of cost-recovery in the drug supply system should be explored.

I. The MIS Users' Committee must begin to make policy decisions on how the various components of the health system will be integrated into the computer system. The introduction of the MIS system into the different regions should proceed one region at a time.

J. The Drug and Medical Supply Management Unit (UMIM) established under VISISA should have continued support to make it effective in coordinating the selection and procurement of drugs.

VI. CONTINUING AID POST PROJECT MONITORING RESPONSIBILITIES

Under the APSISA Project (519-0308) AID has continued to provide technical assistance to monitor MOH's use of the equipment and vehicles, to work with the Transportation Department on maintenance programs for the vehicles and spare parts inventories, setting all the information on computerized system. VISISA vehicles and equipment have been considered part of APSISA's resources for monitoring responsibilities.

The APSISA Project has also continued to provide support to the logistical systems, such as transportation and maintenance of cold-chain equipment and laboratories essential for the success of other donor-funded child survival activities. Additional in-service training is also provided to improve the functioning of regional warehousing and transportation systems, and inventory controls set up under VISISA. Project funding under APSISA is used to support the training of emergency medical directors for the hospitals and health centers and to upgrade in-service training programs based on needs identified in the review of emergency medical services conducted under VISISA.

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USAID / EL SALVADOR  
 SUMMARY PROJECT FINANCIAL REPORT BY PROJECT ELEMENT  
 AS OF 03/31/91

DATE : 04/10/91  
 REPORT PAGE NO.: 19  
 MISSION PAGE NO.: 19

OPTION NO.: 3  
 COUNTRY CODE: 519  
 OFFICE CODE: 900

OFFICE NAME : HUMAN RESOURCES & HUM. AFFAIRS

PROJECT NO./ ELEMENT NO.	PROJECT TITLE/ ELEMENT DESCRIPTION	FUND TYPE	START DT/ PACD	LIFE OF PROJ FUND	OBLIGATIONS TO DATE	EARMARKS TO DATE	COMMITMENTS TO DATE	EXPENDITURES TO DATE	PIPELINE
5190291.00	HEALTH SYSTEM VITALIZATION	G	09/23/83	12,225,000	12,225,001	12,080,427	12,080,427	12,080,427	144,574
13	PUB HEALTH INFRA		07/31/87		426,500	427,406	427,406	427,406	1,094
14	ER SERVICES				120,117	119,577	119,577	119,577	540
15	CONTINGENCIES				3,560	3,560	3,560	3,560	0
70	TECHNICAL ASSISTANCE				3,618,903	3,517,123	3,517,123	3,517,123	101,780
71	HEALTH SUPPLY MGT.				8,004,003	7,972,620	7,972,620	7,972,620	31,383
73	M.I.S.				2,912	2,912	2,912	2,912	0
75	EVAL.				47,000	37,223	37,223	37,223	9,777
5190291.00	HEALTH SYSTEM VITALIZATION	L	09/23/83	23,380,000	23,380,000	22,133,675	22,133,675	22,133,675	1,246,325
13	PUB HEALTH INFRA		07/31/87		2,262,385	2,083,557	2,083,557	2,083,557	173,829
14	ER SERVICES				3,014,128	2,553,000	2,553,000	2,553,000	461,128
15	CONTINGENCIES				37,355	37,355	37,355	37,355	0
70	TECHNICAL ASSISTANCE				626,968	586,351	586,351	586,351	40,597
71	HEALTH SUPPLY MGT.				17,197,994	16,060,755	16,060,755	16,060,755	537,239
73	M.I.S.				241,190	207,657	207,657	207,657	33,533

AGENCY FOR INTERNATIONAL DEVELOPMENT  
ADVICE OF PROGRAM CHANGE

Date: SEP 13 1985

COUNTRY: El Salvador  
PROJECT TITLE: Health Systems Vitalization  
PROJECT NUMBER: 519-0291  
FY 1985 CP REFERENCE: LAC Annex III, Pg. 78  
APPROPRIATION CATEGORY: Health  
LIFE-OF-PROJECT FUNDING: \$23,380,000 (Loan) ✓  
\$12,225,000 (Grant)  
INTENDED FY-85 OBLIGATION: \$2,525,000 (Loan)  
\$10,305,000 (Grant)  
TERMS: 40 years repayment; 10 years  
grace; 2% during the grace  
period; 3% thereafter.

This is to advise that A.I.D. intends to increase the grant component life-of-project funding of the Health Systems Vitalization project from \$2,000,000 to \$12,225,000 and to increase total life-of-project funding from \$25,400,000 to \$35,605,000. In FY 1985, A.I.D. intends to obligate \$10,225,000 in FY 85 grant funding from the health appropriation account. (Earlier this year, A.I.D. obligated \$2,525,000 in loan funds and \$80,000 in grant funds for the project from the FY 1984 Supplemental. Total life-of-project funding will now be increased to \$35,605,000.

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The Project's objective is to assist the Ministry of Health to (1) assure adequate levels of primary health care and medical services by meeting the needs of the Ministry for essential goods and services; and (2) improve the institutional capacity of the Ministry in health supplies management, maintenance, and information management. The additional funding to be provided with this amendment will continue to assure that adequate, essential pharmaceuticals are in-country, and basic medical equipment is installed and functioning. Under the amendment, technical assistance will be provided to complete the improvement of the supply and logistics systems, and the repair and maintenance capacity of the Ministry of Health (MOH).

ANNEX: Activity Data Sheet

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

PROJECT AUTHORIZATION

(Amendment No. 2)

Name of Country: El Salvador  
Name of Project: Health Systems Vitalization  
Number of Project: 519-0291  
Loan Number: 519-U-033

Pursuant to Section 104 of the Foreign Assistance Act of 1961, as amended, the Health Systems Vitalization Project for El Salvador was authorized on September 24, 1983, in the amount of \$23,400,000 in loan funds and \$1,600,000 in grant funding from the Section 104 Health Appropriation. The Project was first amended on September 28, 1984 to add \$400,000 in grant funding. This second amendment adds an additional Ten Million Two Hundred and Twenty Five Thousand Dollars (\$10,225,000) of FAA Section 104 grant funding to the Project. This brings total A.I.D. life of project grant funding for the Project to Twelve Million Two Hundred Twenty Five Thousand Dollars (\$12,225,000).

Except as expressly modified hereby, the Authorization as previously amended remains in full force and effect.

RW  
Administrator

Sept. 27, 85  
Date

Clearances:  
GC:HMFry AGM date 9/24  
AAA/LAC:MButler MB date 9/25/85  
AA/PPC:RDerham R date \_\_\_\_\_

RMeighan  
GC/LAC:RMeighan/gw 0205B/632-3272/09/25/85

PROJECT AUTHORIZATION

Name of Country: El Salvador  
Name of Project: Health Systems Vitalization  
Number of Project: 519-0291  
Number of Loan: 519-U-033

1. Pursuant to Section 104 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Health Systems Vitalization project for El Salvador involving planned obligations of not to exceed Twenty-Three Million Four Hundred Thousand United States Dollars (\$23,400,000) in loan funds ("Loan") and One Million Six Hundred Thousand United States Dollars (\$1,600,000) in grant funds ("Grant") over a two-year period from the date of authorization, subject to the availability of funds in accordance with the AID OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.

2. The project ("Project") consists of procurement of urgently needed pharmaceuticals, supplies and equipment, strengthening of supply management and equipment maintenance systems, the establishment of a management information system which will support the medical supply and maintenance systems, and the development of the capacity of the Ministry of Health ("MSPAS") to provide emergency medical services.

3. The Project Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Interest Rate and Terms of Repayment

The Government of El Salvador ("GOES") shall repay the Loan to A.I.D. in U.S. Dollars within forty (40) years from the date of first disbursement of the Loan, including a grace period of not to exceed ten (10) years. The GOES shall pay to A.I.D. in U.S. Dollars interest from the date of first disbursement of the Loan at the rate of (i) two percent (2%) per annum during the first ten (10) years, and (ii) three percent (3%) per annum thereafter, on the outstanding disbursed balance of the Loan and on any due and unpaid interest accrued thereon.