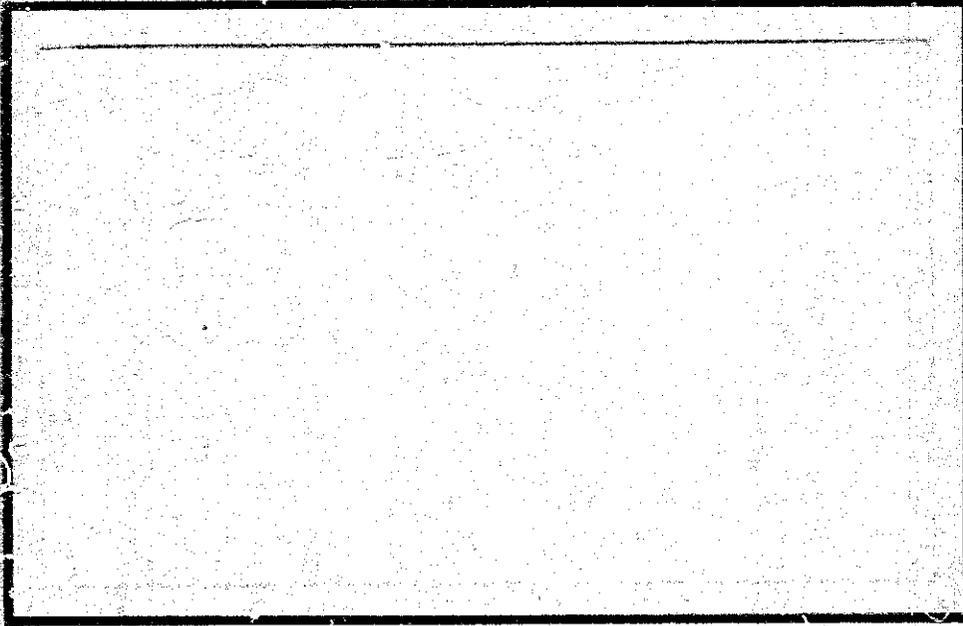


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# **PRITECH**

Technologies for Primary Health Care

Management Sciences for Health  
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PD-ABE-864

**HEALTH SYSTEMS MANAGEMENT PROJECT  
FINAL EVALUATION**

**A Report Prepared By PRITECH Consultant:  
BARRY SMITH**

**During The Period:  
JANUARY 17 - FEBRUARY 8, 1991**

**TECHNOLOGIES FOR PRIMARY HEALTH CARE (PRITECH) PROJECT  
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## EXECUTIVE SUMMARY

The administrative reform portion of the amended Health Systems Management Project (AID Project No. 517-0153) was approved by the USAID/DR Mission on July, 1985 but really began when a contract for technical assistance was awarded to the Puerto Rican based firm Clapp and Mayne in October, 1986. The reforms focussed on finance, budgeting, information management and personnel. The PACD at that time was October, 1988. In May, 1988 the project received a very favorable evaluation and, as a result, was extended for an additional two years and expanded to include purchasing and supply, supervision and monitoring and management training components.

There have been three different Ministers of Health during the life of project. Under the first (three years) a very positive project environment was created. Under the second (nine months) a negative environment existed. Under the current Minister (the last five months) a positive environment, but lacking earlier enthusiasm, existed. The Project has operated during a time of considerable financial difficulty reaching its climax in 1990 with a severe economic recession and with the worst inflation to hit the country in almost a decade.

The evaluator's scope of work required him to determine whether the administrative reform component of the project was implemented in accordance with planning documents, analyze the process by which reforms have been made, determine whether the project successfully institutionalized significant and necessary improvements in SESPAS management systems, determine the level of institutionalization of reforms and identify factors determining level of sustainability, determine whether management reform has had a substantive impact on health care delivery, determine the effectiveness of the strategy used for the managerial course for mid-level SESPAS administrators and the impact of training on improved management by participants and, finally, recommend ways by which key areas of Health Management could be assisted in the future.

All Conditions Precendents were met, although delays in meeting the CP requiring SESPAS to develop and implement a cost recovery policy caused suspension of disbursements for four months.

Covenants dealing with key positions, progress in implementing the personnel policy, integrating project activities with SESPAS' child survival program and implementing a program of cost recovery wer met. The covenant requiring progress in measuring productivity was met, but never resulted in permitting measurement of project impact.

The Project Paper affirms the goal of the Health Systems Management Project to be to increase the quantity and quality of SESPAS-delivered primary health care services. Achievement of the Project goal cannot be clearly demonstrated. When queried, however, most

SESPAS regional and hospital directors affirm that the project has directly impacted on the quality and quantity of patient care citing the new accounting procedures which allow them to better control the use of their subsidy funds and improved targeting of vaccination activities as examples.

The purpose of the Health Systems Management Project was to improve SESPAS management systems and concurrently to develop the capacity within SESPAS to administer and manage health services. Four of the five listed "End of Project Status" (EOPS) indicators refer to the management development portion of the project. Those EOPS and their status is as follows:

EOPS	STATUS
1. The Management Information System will routinely provide information of the performance of each management system.	Regular reporting is taking place on epidemiology, vaccinations, production of services, personnel data and accounting. Budget is prepared with MIS, but no budget monitoring done.
2. Recurring cost of all activities will be routinely estimated and cost recovery policies and systems utilized.	Recurring cost estimated in the sense that preparing an annual budget so estimates them. Cost recovery policy in force and procedures are being developed for nation-wide implementation.
3. Majority of SESPAS key personnel will have job descriptions in a standard format.	Completed, but largely irrelevant to SESPAS operations at present.
4. Majority of SESPAS personnel trained in administrative skills required to perform their jobs.	Major gains have been made in this regard. Frequent personnel turnovers, however, make for constant erosion of the cadre of trained personnel.

In the area of Finances and Budgeting the majority of outputs were achieved. These include follow-up/supervision to ensure that reforms are fully institutionalized (over 249 establishments supervised) and budgeting process consolidated and fine-tuned and resources redistributed in accordance with the approved budget (achieved in large part with 1991 budget). Outputs concerning the monitoring of budget execution, computerized financial systems extended to four more regions and development and implementation of a cost recovery system were not completed by the end of the project

but, for the most part, are programmed for completion within the next few months.

Most information systems outputs were also achieved. These were follow-up/supervision to ensure that reforms are fully institutionalized; computerized information system expanded to the four of the six regions not originally included in the project; additional routine reports developed and implemented to assist central and regional authorities in managerial decision-making; and norms and procedures established for data quality control. A system for including "feedback" in the information flow process was developed but will not be implemented for another month. The output anticipating the development of a system whereby SESPAS begins to conduct regular house-to house sample surveys to determine morbidity and mortality rates was dropped.

The personnel activities began very late. Twice activity ground to a halt because key counterparts were not in place. Nevertheless a number of outputs were achieved. The personnel policy was implemented; the personnel department was restructured and qualified people hired and trained to staff the department; several personnel manuals were analyzed, updated and are utilized throughout SESPAS while several more are in draft; and methods for classifying positions have been developed and implemented. The process of issuing job description to SESPAS employees was not completed during the LOP but is underway. Supervision guidelines and a program to train supervisors in them have been developed in draft but not implemented.

In purchasing, norms and procedures were developed for procurement and supply management but they were not implemented. None of the other outputs were achieved.

Half of the 400 SESPAS administrators called for in the Project Paper received management training.

The administrative reform process developed by Clapp and Mayne was highly successful in terms of amount of reform accomplished and institutionalization and potential sustainability of those reforms. Several things have contributed to this success. Foremost were the Clapp and Mayne advisors who were highly competent and effective administrators, valued, appreciated and respected by their counterparts. In addition to the competent advisors, the form in which AID conceived the project and Clapp and Mayne interpreted it was highly effective. There were several elements but central to them all was the total involvement of counterparts in all phases of the activities. Clapp and Mayne advisors with their SESPAS counterparts came up with a very precise definition of what had to be done in each of the management areas, defined the tasks and assigned both time limits and responsibilities for achievement of each task. This permitted a very clear and focussed advance of project activities on the one hand and a rapid identification of

delays on the other. It also permitted the efficient use of the non-permanent advisors. Within AID there was a strong management team which also facilitated project implementation. Another seldom mentioned factor played an important role in allowing the project to advance so rapidly. This was a policy decision to recognize and compensate overtime work dedicated to project implementation. This provided an enormous incentive to SESPAS technicians to complete project related assignments.

The status of institutionalization by component at the end of the project was as follows:

### 1. Accounting Procedures

A number of significant changes in how SESPAS units handle their accounting procedures at all levels have been institutionalized in the sense that they are the official SESPAS accounting procedures. These procedures have been authorized by the General Controller's Office of the Republic, thus making them the standard by which that office would audit SESPAS books. Manuals explaining the process at all levels were available and used regularly in all of the health offices visited by the evaluator in his field visits. Many SESPAS administrators and accountants have been trained and subsequently supervised in the use of the procedures. Nevertheless, the frequent turnover in accounting and administrative personnel at all levels has already begun to erode some of the more difficult aspects of the system, especially that of recording financial commitments. Even the new chief of the SESPAS Finance office feels the need for technical assistance to fully grasp all of the nuances and capabilities of the system.

### 2. Budgeting

The budgeting process also seems to be well on its way to institutionalization. A major step forward occurred this year, after the project ended, when ONAPRES approved the budget as presented by SESPAS and, because of the sound budgeting procedure, gave them an almost 100 percent increase in budget level. A manual has been produced. Several steps in the budgeting cycle have still not been implemented. The most important of these is the monitoring of budget execution in light of performance indicators. If that occurs this year, then this process will have taken another major step forward in the institutionalization path.

### 3. Information Systems

The major reform in this area has been in the flow of information. That flow has become more rapid and more useful to decision makers. A corollary to the flow has been the expanded use of automated data processing. ADP is now used not only for program and epidemiologic data, but also for personnel management, financial management and vehicle management. An information manual has been drafted and

will be published and sent to the field within the next two months. This is one area where there has been no change in the key SESPAS personnel during the life of the project.

#### 4. Personnel

A Personnel policy has been promulgated and a personnel regulation developed and implemented. The personnel office has been restructured. Substantive change, however, is less than in the above mentioned areas. There is currently a favorable policy environment and if that persists for the next couple of years continued development of personnel management capability could be expected with consequent institutionalization.

#### 5. Procurement

Little accomplished in terms of reform. No institutionalization.

#### 6. Transportation

There is little noticeably accomplished in the establishment of a motor pool, but, as with personnel, there is a favorable environment. If that continues, then it is likely that development in this area will continue based upon work done under the project but without direct AID funding. Currently, however, there has not been any institutionalization of reforms.

#### 7. Cost Recovery

Once again this is still in the process of development, thus it is hard to say if institutionalization is likely. A cost recovery policy exists and a cost recovery manual developed without technical assistance input. That would bode well for policy implementation. Institutionalization will depend to a certain extent upon stability in SESPAS leadership for the next few years.

#### 8. Management Training

A new, appropriate and effective educational methodology was introduced through the AUPK buy-in. There is not sufficient evidence to suggest that the process has been institutionalized in INTEC as planned. There are no future courses scheduled to my knowledge.

Making judgements on sustainability requires skill gazing into a crystal ball. Fortunately, there are a few tools to assist in that gazing. AID's Office of Policy and Program Coordination (PPC) published a document titled "Sustainability of Development Programs: A Compendium of Donor Experience" in 1986. Based on that document the following factors favor sustainability:

- History of and current government commitment to the majority of project reforms
- Broad support within SESPAS
- Perception by SESPAS of the "mutuality of benefits"
- Focus on developing managerial leadership and long-term organizational development.
- Relatively low recurrent costs.
- Concentration on "soft" technologies and appropriate "hard" technologies.
- Conformance with sociocultural norms.
- Relative political stability

The factors against sustainability are:

- Varying political commitment
- Insecurity of the even low level of recurrent costs needed to maintain supervision activities and publish needed manuals
- Frequent turnovers in key positions

If AID can find a mechanism for providing some continued support for supervision and similar activities, the probabilities of sustainability will be greatly increased.

Principal Conclusions are:

- Although not objectively verifiable, the evaluator believes that this project has impacted on the quality and quantity of health services. This is particularly true of the information system. In a more indirect fashion it is true of the accounting system. The budget cycle will also impact, especially on the quantity of care, when and if it is fully implemented.

- In general this has been an extremely effective project, achieving notable institutional development in an astonishingly

short time. Not surprisingly, the greatest achievement has been in the four areas which benefitted from the longest continued assistance - budgeting, accounting, information systems and personnel. Little lasting achievement has come from efforts in procurement and transportation. Management training was very successful but not institutionalized. Little permanent reform was achieved in procurement and transportation. This can be attributed to the short time frame allowed for these activities.

- In retrospect, and in the opinion of this evaluator, too much was expected in too short of a time frame but, almost miraculously, a big chunk of it was delivered. AID would have greatly facilitated institutionalization and sustainability if the Project had had a longer time frame.

- Also, in retrospect, AID should have accepted the Clapp and Mayne offer of a no-cost extension. As the name implies, it would have cost nothing, but would have nurtured some still developing reforms.

- The fact that progress continues to be made in information systems and budgeting further demonstrates the importance of the project. Supervision is also continuing in the personnel and accounting areas, with PL 480 funds.

- The package of one resident advisor and numerous short term specialists was a very cost effective mechanism for accomplishing project objectives.

The principal recommendations are:

- Find a way to get the Clapp and Mayne advisors back for occasional short term support over the next several months through the LA Tech Project, PD&S or some other mechanism. Failure to do this would unnecessarily increase the risk of erosion of gains under the project.

- If SESPAS budgetary funds cannot cover costs for on-going activities such as per diem for supervision some way should be found to provide this type of assistance.

- Try to get SESPAS back to Regions I and II one or both of the vehicles that were assigned to them under the project.

- Do a follow-on project with the same methodology but longer time frame.

## I. Introduction

The Health Systems Management Project Paper (AID Project No. 517-0153) was initially approved by the USAID/DR Mission on January 27, 1984 with a total AID funding of US\$8 million, \$4 million loan and \$4 million grant and with a Project Assistance Completion Date (PACD) of April 30, 1989. Although initial Conditions Precedent (CP's) were met quite quickly the existence of the loan component required Dominican Congressional approval. Worsening economic and political conditions throughout 1984 and early 1985 prevented that approval from coming forth. In July, 1985 officials of the AID Mission and of the Secretaria del Estado de Salud Publica y Asistencia Social (SESPAS), therefore, scaled the project back, eliminating the \$4 million loan component, reducing the grant component from \$4 million to \$1.5 million and bringing the Project Assistance Completion Date (PACD) forward by one year to April 30, 1988. The original project contemplated five long-term resident advisors and anticipated addressing seven major management systems - finance, logistics, information, supervision, personnel, maintenance and planning. The amended project called for only one long term advisor and was to address only three of these systems - finance, personnel and information. (The Health Systems Management Project also had a disease control component which is not a subject of this evaluation.)

A contract for technical assistance was awarded to the Puerto Rican based firm Clapp and Mayne in October, 1986 and the PACD was extended to October, 1988 to permit the signing of a two-year contract with that firm. In May, 1988 the project received a very favorable evaluation and, as a result, was extended for an additional two years and expanded to include purchasing and supply, supervision and monitoring and management training components.

The project has operated within a relatively stable political environment in that the Reformist Party that entered power in the 1986 elections has remained in power during the entire project period. Project start-up in 1986 coincided with a new team in SESPAS. Although it took several months for the team to gel, eventually they became a very dynamic force for change. This team had AID and other donor assistance available for Child Survival activities through the Plan Nacional de Supervivencia Infantil (PLANSI), had a large Inter-American Development Bank (IDE) infrastructure program and had the Health Systems Management Project. The new SESPAS team saw all of these as being part of one major effort to reinvigorate the health system and impact dramatically on the health of the population. This group led SESPAS from the time of project start-up in 1986 to August 1989, and was the time of greatest project input and achievement. In August, 1989, as a result of political unrest brought about by

striking physicians Dr. Ney Arias, the Minister under whom the project had functioned for three years, was sacked and with him went the Project Coordinator and the Director of Finance, both of whom were key project counterparts. New SESPAS management filled key SESPAS positions at the central level with people who did not see the project as a high priority. As a result the project saw progress halted and some gains deteriorate in the finance area at the central level, where the greatest progress had actually been made. In other components and at the regional level the pace was slowed, but did go forward. In May, 1990, after nine disastrous months, the current administration assumed SESPAS leadership. While the project never regained its previous momentum, there was a definite and deliberate effort to both recoup losses and to try to move forward on stalled activities. The PACD of October, 1990, however, loomed close.

The Project has operated during a time of considerable financial difficulty reaching its climax in 1990 with a severe economic recession and with the worst inflation to hit the country in almost a decade. The inflation on one hand and the need to limit government expenditures on the other put a real squeeze on SESPAS employees. Public employee salaries are very low. The minimum wage, earned by a not insignificant number of SESPAS employees, is US\$52 per month. General physicians earn around US\$150 per month. This affects project activities in two ways. One manifested itself in 1989 when project activities stopped at a critical point for three months because of a nation-wide physicians strike for higher wages. The low wages are also one of the principal reasons for high employee turnover and low morale in many SESPAS administrative positions.

## II. Scope of Work

The evaluator's scope of work required him to do the following:

- A. Determine whether the administrative reform component of the project was implemented in accordance with the Project planning documents, including whether the outputs listed in the ProAg have been accomplished and the degree to which the systems established are functioning.
- B. Analyze the process by which reforms have been made.
- C. Determine whether the project successfully institutionalized significant and necessary improvements in SESPAS management systems. Determine the level of institutionalization of reforms and identify factors determining level of sustainability.
- D. Determine whether management reform has had a substantive

impact on health care delivery.

- E. Determine the effectiveness of the strategy used for the managerial course for mid-level SESPAS administrators. Assess the impact of training on improved management by participants.
- F.
- G. Recommend ways by which key areas of Health Management could be assisted in the future.

A copy of the complete scope of work can be found in Annex D.

### III. Evaluation methodology

The evaluation has been conducted by interviewing key project participants and direct beneficiaries, field trips and document reviews. A list of persons interviewed, a schedule and itinerary and a list of documents reviewed can be found in Annexes A, B and C respectively. Following AID guidance, the evaluator has focused on project activities from the time of the last evaluation (May, 1988) to the present.

### IV. Project Implementation Process

The evaluator has used the latest Project Paper and Project Agreement No. 3 as his guide for evaluation purposes. The Agreement deals mostly with conditions precedent to disbursement, covenants and outputs. This section will look at each of those in terms of compliance.

#### A. Conditions Precedent

##### 1. Job Descriptions and Personnel Qualifications

This CP contained in the ProAg signed August 16, 1988 required that SESPAS provide AID prior to December 31, 1988 with 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, Sub-center Directors, Sub-center Administrators, Directors of Rural Clinics, Chief of Personnel Department, Chief Regional Personnel Officers, Regional Statisticians, Regional Chief of Accounting and Budgeting, Regional Epidemiologist, Area Epidemiologist, Principal Computer Operators of the Regional Offices and Assistant Computer Operators of the Regional Offices.

On December 9, 1988 SESPAS provided AID with job descriptions for 15 of the above 19 positions. AID, in Project Implementation

Letter (PIL) 17, dated April 7, 1989 extended until April 15 the terminal date for meeting the CP. The remaining job descriptions were provided by SESPAS on April 14 and the CP officially declared as completed by PIL No. 18 dated May 5, 1989.

Whereas the CP was completed to the letter of the law it did not really result in significant improvement in the quality of key counterpart personnel. The job descriptions were prepared to meet an AID identified need and not a SESPAS need. The job descriptions, then, just filled a file cabinet in AID and were quickly forgotten. The one aspect of the job description that Project managers might have been able to use to improve the quality of key personnel was the section on personnel qualifications and that, unfortunately, was the section that was missing from most of the job descriptions supplied to AID in fulfillment of the CP.

## 2. Written Cost Recovery Policy

SESPAS had until August, 1989 to provide:

*"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."*

Although a cost recovery policy was drafted, fully vetted and ready for approval by the original CP terminal date, the Minister of Health under whom it had been developed was suddenly removed from office that very August prior to giving it official approval. The in-coming Minister wanted to look at the issue afresh so the CP completion date was extended from August, 1989 to November, 1989. The new officials were noticeably cool toward what was viewed as a politically volatile issue and the CP was still not met by November. Nevertheless, given what had already been accomplished toward drafting a policy and given the perception of some forward motion by SESPAS authorities, it was deemed best to further extend the terminal date, to work persistently in obtaining a policy and to not bring project activities to a halt. Therefore, the terminal date was extended to March 23, 1990. The policy was still not forthcoming by that date so Project funding was suspended on March 24, 1990. In May, 1990 a new Minister of SESPAS took office and approved a cost recovery policy on June 18, 1990. Project funding

was resumed after a lapse of four months with the issuance of a PIL accepting the policy on July 20, 1990.

That policy was based heavily on an analysis of actual cost recovery practices and utilized results of the Santo Domingo Health Demand Study and the SESPAS Hospital Cost Study as called for in the CP. Not only is there a policy but it appears that there is political support behind the policy and that the government is moving forward on the implementation of the policy even in the absence of the AID project under which the policy was developed. This is particularly noteworthy given the opposition to the policy displayed by local news media and by the medical association. Largely because of that opposition, the Ministry describes the cost recovery initiative as aimed at fomenting "Ayudas y Donaciones". A manual operationalizing the cost recovery process will be discussed later this month with the regional and hospital directors. SESPAS plan to institute the policy in all establishments at all levels in all regions. The cost recovery manual specifies those services for which charges will be levied and the price of each service. Services for which there will be charges include laboratory services, radiological procedures, orthopedic services, certain surgical interventions, certain supplies and outpatient visits. Specifically excluded are maternal and child health services and vaccinations. Prices are designed to cover material costs and not all cost of the service.

### 3. Functioning Budget Process

The final CP required that *"prior to disbursement each year, after the development and presentation of the budget to the National Budgeting Office, the GODR will, except as AID may otherwise agree in writing, furnish to AID ...:*

*Evidence that (1) a viable, operating budget system is in place (as has been developed under the Project); (2) SESPAS has presented said budget in its annual submission to the National Budgeting Office; and (3) budget allocations have been made according to this new system.*

It is clear that SESPAS consistently met parts 1 and 2, but never met part 3 of the CP during the life of the project. In the PIL where AID responds to SESPAS's documentation that it has completed the CP, the Mission observes that part 3 of the CP had not been met. There is, however, no follow-up to this and nothing in AID semi-annual reports to suggest that the Mission was concerned with non-compliance with the budgeting process obligations set forth under this CP. This year, however, for the very first time, the

ONAPRES (the National Budgeting Office) has approved the SESPAS budget as prepared and submitted by SESPAS and many of the conditions necessary for accomplishing part 3 of the CP will be in place.

## 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."*

The key positions referred to in this covenant are those mentioned in the first condition precedent above. Although the key positions are, to the evaluators knowledge, filled, they are not all filled with qualified individuals. As has historically been the case the chief weaknesses are in administrators, accountants and personnel officers at the regional and establishment level. These are positions that are still seen as being within the realm of political patronage.

### 2. Personnel Progress

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

There has been undeniable progress in implementation of the personnel policy. This is discussed in greater detail below. To a large extent supervisors do seem to play a key role in the hiring of increasing numbers of personnel. This is a step forward. Certain employee groups do have standardized pay scales, including physicians, nurses, dentists and laboratory technicians. Other personnel did have pay scales, but the rampant inflation coupled with the decision at the level of the President to give extra-budgetary pay increases to SESPAS employees has introduced distortions. Now, for instance, clerks, and secretaries I, II, III and IV all receive the same RD\$650 minimum wage.

### 3. Productivity Progress

*"Through periodic consultations, and submission of implementation plans to AID, 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."*

Once again AID documentation does not allow one to see a paper trail that indicates that SESPAS did provide evidence. What is clear, however, is that items (i), (ii) and (iii) were all done and that item (iv) was not.

### 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 ). This shall include quarterly meetings 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 AID the minutes of said quarterly meetings. In addition, both committees will have representatives in attendance at each other's more frequent operational-level meetings."*

Although there were not regular quarterly meetings between the coordinating committees, both SESPAS and AID child survival project managers did attend Health Systems Management Project coordinating committee meetings on a sporadic basis.

## 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 the project."*

This covenant has been discussed above under the CP dealing with the same subject. It might be added that immediately following the approval and promulgation of the policy, it was reportedly eagerly implemented by many hospital directors. This sudden implementation is what attracted the interest of the press and resulted in the negative publicity.

### C. Project Goal

The Project Paper affirms the goal of the Health Systems Management Project to be to increase the quantity and quality of SESPAS-delivered primary health care services. The original 1984 PP states that "success will be indicated by achievement of coverage and service delivery targets for four critically important primary health care interventions: immunization coverage, oral rehydration salts consumption, contraceptive prevalence and child growth monitoring". The project was subsequently scaled back, and the amended PP states that "a monitoring system will be designed under the project amendment to determine the impact on productivity of training, management reform, incentive and reallocation of resources implemented under the project. Measures of productivity include: consultations per inhabitant, hospitalizations per inhabitant, cost per hospitalization, hospital bed occupancy, length of stay per hospitalization, consultation 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."

A tracking system was set up but was not fully functioning until the end of the project. Achievement of the Project goal cannot be clearly demonstrated. This is, of course, not surprising. By definition, AID Project Goals are effected by many non-Project determined factors, occur over a larger time frame and are difficult to measure. The Clapp and Mayne Final Report states that:

*"The outpatient visits increased by 50.8%, and the emergency visits increased by 43.6%, while the admissions to hospitals increased by only 1.7%."*

The SESPAS information system is improving rapidly as a result of project inputs. An example of that is that in the last several months SESPAS has completely cleared a five year back-log in morbidity and mortality data recording and analysis. Nevertheless, at this time sufficiently precise data in most of the above mentioned productivity indicators are not available for the four year period in which the project operated. Even if the data were available, it is apparent that the economic difficulties of the last year dramatically and negatively effected SESPAS productivity for reasons that were beyond the scope of the Project to address.

When queried, however, most SESPAS regional and hospital directors affirm that the project has directly impacted on the quality and quantity of patient care. They state, for instance, that the new accounting procedures allow them to better control the use of their subsidy funds, thus assuring that funds are available for the most important needs. The impact of the information system on improved targeting of vaccination activities is another often cited example of how the project has impacted on the quality and quantity of services.

D. Project Purpose

The purpose of the Health Systems Management Project is to improve SSSPAS management systems and concurrently to develop the capacity within SSSPAS to administer and manage health services.

The Project logical framework provides some sketchy guidance on the measurement of project purpose. Four of the five listed "End of Project Status" (EOPS) indicators refer to the management development portion of the project. Those EOPS and their status is as follows:

STATUS	EOPS
Regular reporting is taking place on epidemiology, vaccinations, production of services, personnel data and accounting. Budget is prepared with MIS, but no budget monitoring done.	1. The Management Information System will routinely provide information of the performance of each management system.
Recurring cost estimated in the sense that preparing an annual budget so estimates force and procedures are being developed for nation-wide implementation.	2. Recurring cost of all activities will be routinely estimated and cost recovery policies and systems utilized.
Completed, but largely irrelevant to SSSPAS operations at present.	3. Majority of SSSPAS key personnel will have job descriptions in a standard format.
Major gains have been made in this regard. Frequent personnel turnovers, however, make for constant erosion of the cadre of trained personnel.	4. Majority of SSSPAS personnel trained in administrative skills required to perform their jobs.

**E. Outputs**

**1. Finances and Budgeting**

- a. Follow-up/supervision to ensure that reforms are fully institutionalized;

As mentioned above, reform in SESPAS accounting procedures moved at an accelerated pace in the first several years of the project. The structural and functional organization of the Finance Office and the Internal Auditing Offices of SESPAS was redefined, procedures manuals for streamlining monthly health establishment's reports including analysis and auditing of fund advances were prepared as were procedures for controlling the flow and handling of checks, control and accounting of funds, control of authorized signatures, control of petty cash funds and the control of payroll and other fiscal transactions to ensure the correct issuance of checks. The latter includes the computerized coordination between the Finance and Personnel Directorates through the use of the same data base. A computerized accounting package was implemented. A draft cost accounting system was prepared, but has not been implemented awaiting the consolidation of the accounting system and the complete budget manual implementation.

There were supervision visits to 249 health establishments to evaluate and assist implementation of the new procedures at that level. There were a total of five visits to region I and four to Region II, the project's two pilot regions. Each trip visited 16 establishments since there were four teams in each supervision visits and four establishments visited by each team. Over 90% of the establishments in other regions received at least two visits. A monitoring guide was prepared with about 100 different points. As of September, 1990 Region I had an average score of 66% completion, Region II had an average score of 74%, Region III 45%, Region IV 42%, Region V 60%, Region VI 65%, Region VII 67% and Region 0 63%. Supervision also occurred at the central level. Central level supervision in August, 1990 showed deterioration at that level because of leadership changes. This contributed to the decision to replace the Finance Director.

Of all the systems developed in the finance area, the auditing systems had the least advance. This was because time did not permit full development of this activity which was considered to be of lower importance than the above areas. Nevertheless, auditing staff members were provided training on three different occasions.

- b. budgeting process consolidated and fine-tuned and resources redistributed in accordance with the approved budget;

The budgetary process developed under the project has now been used, adjusted and functioned over the last four budget cycles. (See prior evaluation for description of accomplishments up through May, 1988.) A budget manual has finally been produced. The manual has programming, budgeting and control and evaluation sections. Budget development and control at the central level is computerized. This has permitted last minute adjustments with much greater ease.

The budgetary process developed under the project is a cycle which includes programming (based upon quantifiable goals and objectives), execution and control and evaluation. During the life of the project SESPAS programmed, but at that point the cycle was broken. There were several reasons given for this. One was that ONAPRES, the National Budgeting Office, had never accepted the new SESPAS budgeting process and simply assigned funds based on traditional amounts and categories. Thus, execution, the second phase could not be monitored in terms of goals and objectives. A second reason is that the sudden, dramatic inflation particularly in 1990, made the budgets of all health units so woefully inadequate that SESPAS officials did not have the heart to further deplete the resources of inefficient institutions by redistributing their resources to more efficient institutions. A third reason is that the budget was so inadequate and so centralized that most reprogramming decisions were made at the central level on an ad hoc and as needed basis. For the last several years, regional and health establishment directors have not been informed of their annual budgetary allotments, thus totally vitiating their capacity to manage their resources. This year, however, may provide the conditions needed for implementing the whole budget cycle.

There have been examples of resource redistribution. The Hospital Cabral y Baez in Santiago requested an increase in its monthly subsidy allowance. The average cost of a hospital day in the country in 1990 was RD\$17. In region II it was RD\$ 29 while for the above mentioned hospital it was RD\$ 50. SESPAS authorities, therefore, decided that there would be no increase in subsidy funds for that hospital until its patient day costs came down. (The problem was that then hospital authorities went directly to the President and got an additional subsidy allowance of RD\$ 1,000,000 directly from Presidential funds.)

c. budget execution monitored;

This output has and hasn't been achieved. It has been achieved in the sense that SESPAS monitors and always has monitored the execution of the budget which it has been assigned by ONAPRES with Congressional approval. But this budget has had no relation to the budget developed under the budgeting process until this year. The 1991 budget as presented to Congress faithfully reflected the SESPAS budgeting process both in form and in amounts. The major impediment to monitoring the budget now that it has been approved by SESPAS is in the accounting office. That office receives monthly expense reports from all regions and health establishments. This is a prerequisite to receiving their subsequent monthly allotment. The accounting office does not currently enter that expense information into the computer, but rather files it. If monitoring is to occur, that information must be entered into the computer.

d. computerized financial system extended to six more regions; and

Currently all regions except Regions 0 and 4 have computer capacity, but they do not yet have the financial control software. There are two explanations given for this all of which may contribute. One is that it was decided that computer applications would be provided in a phased fashion. The computer hardware was not in four of the regions until four months ago. The first phase, implemented over these last several months have been dedicated to assisting the regions in the management of basic epidemiologic and health service data and certain personnel applications. Once most of the bugs have been worked out of these programs, financial applications will be added. The other reason given is that up to the present finances have been largely managed at the central level. Thus there has been little reason to establish sophisticated financial management capabilities at the regional level.

Whatever the reasons, the software does exist and the Computer Center has the installation of that software as part of its program for the regions in 1991.

e. a cost recovery system developed and implemented.

This has been discussed under both the conditions precedent and covenants section above, reflecting the importance given to it by AID. The policy has been developed. There is a long tradition of cost recovery in many of the health establishments. The Policy was

enthusiastically embraced by most health establishment directors and a number of individual actions taken. A procedure for standardizing charges and regulating use of the funds has been developed and will be discussed with regional and hospital directors at the end of February, 1991. The AID Project Manager has been invited to attend that meeting.

## 2. Information Systems

- a. follow-up/supervision to ensure that reforms are fully institutionalized;

Supervision and follow-up were conducted to encourage institutionalization. Each region was visited at least once and many regions were visited several times last year. Furthermore, visits have continued since the end of the project and the program of visits, at least by the Computer Center personnel, has been carried out through January according to schedule.

- b. computerized information system expanded to the six regions not originally included in the system;

The computerized information system was extended to four of the six regions not originally covered under the project. Prior to extending to the other regions SESPAS and Clapp and Mayne advisors conducted a feasibility study in each region. This study looked at the existing level of organization within the region, their level of compliance with the budgeting and accounting regulations, existing human resources and physical space. Three regions were found to be lacking sufficiently in one or more of these prerequisites that it was decided not to place computers in them. One of the regions, number III in San Francisco de Macoris, subsequently conducted sufficient reform that it was felt to be an acceptable candidate for automated equipment. Regions IV and O, however, were never able to come up to minimal standards needed for providing the proper physical and organizational environment for a computer.

- c. additional routine reports developed and implemented to assist central and regional authorities in managerial decision-making;

The first regular reports were for the Expanded Immunization Program (EPI) and provide an excellent example of how this project complemented child survival activities. There are currently over 200 routine reports just of epidemiological and program activities. In addition there are numerous reports being produced for accounting, budgeting and personnel purposes. Now that SESPAS is

able to generate timely and accurate information, the demand for that information has expanded rapidly.

One example of information use in decision-making is that of the Hospital Cabral y Baez in Santiago cited above. The use of EPI data by epidemiologists, in targeting vaccination activities is the most frequently mentioned example of information use for decision making.

Furthermore, with the linking of productivity to budget, there is an ever-increasing interest on the part of managers to look at productivity indicators and to use them for the identification of problems.

- d. a system for including "feedback" in the information flow process will be developed and implemented;

A system for including feedback in the information flow process has been developed, but not fully implemented. That process requires each service delivery or administrative level to consolidate and analyze data received from lower levels and then to pass consolidated and analyzed information not only up to the next higher level, but also down to the next lower level. Region I actually has implemented a feedback system. In that region the regional statistician meets every other week with his counterparts at the area level and provides them with feedback. At the same time, they are provided with complete reports for their area and for the other areas in their region every three months. This permits the area personnel to compare their area to other areas and those get a better idea of their relative performance.

A manual that includes norms for the operation of the feedback system has been produced and the system is scheduled to be implemented in March, 1991.

- e. norms and procedures established for data quality control; and

The status of norms and procedures for data quality control is in much the same position as that of feedback. Actions are taken for the control of data quality at all levels, but procedures are standardized in the information system manual which is currently being produced. Data quality control begins at the establishment level where the internal consistency of forms which summarize data is checked. That process is repeated at each level. At the regional level data is checked after entrance in the computer, comparing the data placed in the computer to that which is on the forms sent from the lower levels. Certain information is always

flagged for follow-up to ascertain veracity of the information. This is true, for instance, for every reported case of polio or diphtheria. Consistency of result across establishment, areas and regions are looked for to find and follow-up on "out-liers".

- f. system developed whereby SESPAS begins to conduct regular house-to house sample surveys to determine morbidity and mortality rates.

A preliminary evaluation and strategy for accomplishing this output was prepared by the Clapp and Mayne advisors, but a decision was made by AID in consultation with Clapp and Mayne advisors that implementation of this activity would sufficiently detract time and resources from other more important tasks that it would be better to put it on hold. No further work was done to the evaluator's knowledge.

### 3. Personnel

This activity began very late. Twice activity ground to a halt because they lacked key counterparts and then delays occurred because key counterparts feared making decisions or were simply not interested in stirring the waters in this delicate and politically sensitive area. Finally, in May, 1989 with the naming of a Personnel officer with interest and the naming of three competent assistants things began to move.

- a. Personnel policy implemented;

The personnel policy, approved June, 1988, has been implemented to the extent that a personnel regulation normalizing that policy has been published and over 250 SESPAS managers have been trained in its application. Nevertheless, as Mr. James Villalobos, the personnel advisor, aptly stated *"it requires a considerable degree of patience in its development and implementation if deep-rooted historical attitudes are to progress to the modern personnel management era."*

- b. restructuring of the personnel department will be completed and qualified people hired and trained to staff the department;

The office is now broken into three divisions with competent persons in each division. Three highly qualified, experienced and motivated persons are in charge of the respective technical sections - Recruitment and Selection, Classification and Pay Scales and Training and Evaluation.

c. job descriptions issued to SESPAS personnel;

As mentioned above job descriptions were done early on for 19 positions considered key to project implementation. Subsequent to this SESPAS developed a job classification manual and trained an average of 40 persons in each region on the fundamentals of writing job descriptions. That training was actually completed less than six weeks ago. A follow-on activity to the training in each region was to be the development of job descriptions for all of the personnel in each region by the supervisor. To date Regions VII and I have returned their drafts of the job descriptions to the SESPAS personnel division.

d. personnel manuals analyzed, updated and utilized throughout SESPAS;

Several personnel manuals have been produced and are being utilized throughout SESPAS. Others have been drafted but not yet produced. The most fundamental document produced is the Personnel Regulation, which operationalizes the Personnel Policy. The Personnel Policy was approved by the Minister of Health in June, 1988 and the Personnel Regulation in October, 1989. Three manuals have been written, produced and distributed. Those are: Position Analysis, Evaluation and Classification; Recruitment, Selection and Transfer of Personnel; and Job Descriptions. Two others have been written, but not yet published and distributed - Manual of Personnel Actions and the Manual of Disciplinary Actions. Two other manuals have been drafted, but are not yet ready for publication - Supervision Manual and Training Manual. An eighth manual, Job Performance Evaluation, is contemplated but has not yet been drafted.

e. supervision guidelines developed and implemented;

As mentioned above supervision manuals have been developed, but have not yet been reviewed, approved, published and taught to supervisors.

f. methods for classifying positions developed and implemented; and

This was accomplished as part of the fourth phase of the six phase personnel training program which was conducted in all of the regions. The Job Classification Manual was distributed at that time

- g. program to train supervisors in the above developed and implemented.

Over 250 persons from the eight regions were trained in the Personnel Regulation and in the three personnel activities for which manuals were prepared. The training had six phases, each lasting one to two days. Several phases were often taught during a single course, but not all. The six phases were (1) General Orientation and Training (based on the Personnel Regulation), (2) Group Dynamics and Personnel Problem Solving, (3) Drafting of Position Descriptions, (4) Recruitment, Selection and Placement, (5) Organization and Management of the Training Function and (6) General Review.

#### 4. Supervision/Monitoring of Systems

##### a. Implementation of Systems supervised

##### (1) Area personnel visit facilities

During the project's lifetime and continuing to the present there has been active supervision of both the accounting and information systems. The personnel system is too newly implanted to evaluate the quality or quantity of supervision which it requires or will receive. How much of the supervision, however, is from area level to establishments, I do not know.

##### (2) Regional personnel visit areas

Each region visited by the author of this report conducts evaluation visits to its health establishment. Regions I and II, pilot regions under the project, complain vociferously, however, about the negative impact of losing the two vehicles which were donated to each of them under the project. The most dedicated and disciplined about supervision seem to be the regional statisticians.

##### (3) Central personnel visit regions

Supervision by central level personnel in the areas of accounting, computers and information systems occurred under the project. Funds were budgeted through PL 480 for the continuation of these activities in November and December and have supposedly been included in SESPAS' 1991 budget for the coming year. Numerous supervision and training visits were conducted in each of these areas after the official termination of the project. What will happen after the suspension of the PL 480 funds, however, is uncertain.

- b. Eight vehicles purchased (one for each pilot region and one for each area in the region);

Actually eleven vehicles were purchased under the project. Four of those vehicles were assigned to the regions for project related supervision and other tasks, one was assigned to the central level motor pool in support of project activities, two were assigned to the Project office at SESPAS, one was assigned to the National Director of Health for Project related activities, one each were assigned to the dengue, malaria and schistosomiasis programs. The project implementation letter providing for this assignment of vehicles affirmed that the vehicles would continue to be used in support of project activities after the formal conclusion of the project. This was subsequently confirmed by the National Director of Health in a letter dated October 23, 1990 in which he states that the vehicles will continue to be used to improve the supervision, monitoring and quality of health services.

The actual distribution of the 11 vehicles at this moment is as follows:

Office of the Minister	2 vehicles
Motor Pool	4 vehicles
In repair	2 vehicles
CONAPOFA	1 vehicle
Malaria program	1 vehicle
Schistosomiasis program	1 vehicle

- c. maintenance and vehicle control procedures developed and implemented;

Norms and procedures were developed for the control and use of vehicles and to achieve optimization of their use. These norms and procedures were accepted by SESPAS and AID in Project Implementation Letter No. 23 dated February 9, 1990. They include procedures for control and use of vehicles, preventive and corrective maintenance and a system from monitoring and control operational expenses of the vehicles. These norms were applied to project vehicles during the life of the project.

- d. assistance provided in developing and implementing procedures for operating a central level motor pool.

A complete manual for organizing and operating a centralized motor pool was developed by the Clapp and Mayne advisor. Nevertheless, the actual Head of Transportation and his immediate supervisor, a special assistant to the Minister, do not have a copy of that manual. Nevertheless, they do have some of the forms and are implementing them on a gradual basis. The priority for the current

authorities is to find out exactly what vehicles SESPAS owns and to make sure they have the appropriate legal documentation for those vehicles. They are working with the Computer Center in setting up a computerized data base for vehicle identification and maintenance. Thus the policy environment for implementation of a motor pool exists.

## 5. Purchasing

- a. Norms and procedures developed and implemented for purchasing (including procurement, storage, distribution, evaluation and control);

The following norms and procedures were developed and approved by SESPAS:

1. Regulation for Informal Purchases by the Central Level (covering purchases with a value of less than RD\$12,000)
2. Procedure for Informal Purchases by the Central Level

The following norms were developed and presented to the project coordination committee for approval but were never acted upon:

3. Regulation for Formal Procurement by the Central Level and PROMESE (covering purchases with a value of RD\$12,000 and above)
4. Procedure for Formal Procurement by the Central Level and PROMESE

The following norms were developed and left with the Coordinating Committee in draft:

5. Regulation for the Operation of the Supply Office
6. Procedures for the Operation of the Supply Office
7. Regulation for Procurement by the Regional Level
8. Procedures for Procurement by the Regional Level
9. Regulation for Operation of Supply Office at the Regional Level
10. Procedures for Operation of Supply Office at the Regional Level

- b. organization and functioning of central level procurement, warehousing and distribution studied and reforms implemented;

Considerable work was done under this component. First an extensive diagnosis of the purchasing and supply problem was carried out at central, regional and hospital level. That diagnosis, among other things identified that numerous small purchases were being done by a slew of different offices with no purchasing or receiving guidelines, purchasing was a day-to-day, unstructured and unplanned affair and none of the internal controls usually associated with good business practices existed.

As a result of this situational diagnosis a series of purchasing and supply procedures were developed, many of which were dependent upon a restructuring of the SESPAS Purchasing Office. This restructuring had at its heart the formation of two separate offices - one which would purchase and one which would receive and distribute. The separation of these functions is fundamental to the establishment of good internal controls. The Minister of Health approved the plan, but never hired the personnel which would have operationalized the restructuring. In the last several months of the project it became clear to AID and Clapp and Mayne Project Managers that the political will to implement the revised procurement regulations was not present. AID eventually amended the Clapp and Mayne contract eliminating the implementation aspect of the procurement activities.

- c. internal controls established at the central and facility levels; and

See above.

- d. use of bulk purchasing will be increased, especially for medications.

See above.

## 6. Training of Administrators

- a. managerial course for 400 mid-level SESPAS administrators.

This project activity was designed to train 400 SESPAS mid-level officials in management theory and practice. Included in the target group were many of the key project counterparts such as regional directors and administrators, hospital and sub-center directors and administrators and promoter supervisors. The PP called for this to be done through a "buy-in" to an AID centrally-

funded project with the Association of University Programs in Health Administration (AUPHA).

That buy-in was finally negotiated in December, 1989 and the Instituto Tecnico de Santo Domingo (INTEC) chosen as the educational institution from which to base the course. The two-fold goal was that of training a cadre of SESPAS officials and of leaving in place a permanent capacity within INTEC to carry out future training.

A model of "distance training" was utilized. In this model reading materials and assignments are provided to participants at their dispersed places of work and then learning reinforced by regular study groups and periodic seminars where concepts are further explained and issues clarified according to the students' needs.

Materials were adapted from a similar program developed for the Costa Rican Social Security Institute. Two working groups were established, one to adapt the materials to the Dominican situation and the other to review the revision. In order to assure compatibility with other project efforts Clapp and Mayne, SESPAS and AID personnel with intimate knowledge of SESPAS administration participated in the adaptation of the materials. This process was much more time consuming than originally anticipated partly because of differing perceptions of the needs (i.e. theoretical vs. practical) among the reviewers.

The program was offered to the employees of four of the eight regions, 0 (Santo Domingo), I (Bani), II (Santiago) and VII (Valverde Mao) in three "sub-processes". The sub-process first dealt with general public health concepts such as levels of attention, health systems, curative versus preventive care and priority health problems in the Dominican Republic. The second sub-process included institutional analysis, risk analysis, health planning, organizational behavior and information systems. The third unit addressed human and physician resources administration, equipment maintenance and operations investigation. One introductory seminar was held as well as one after each sub-process. A total of 213 SESPAS officials began the course, of which 188 graduated. An additional 12 private sector administrators also graduated.

A superficial look suggests that the program was successful in raising the level of management skills of students. Familiarization with public health terminology and disciplines have improved communication and encouraged positive practices such as the delegation of authority.

INTEC capacity to conduct future programs may be in place but that capacity is unproven.

## 7. Strengthening of MOH capacity to manage projects

This component was basically designed to assure support for efficient operation of the project coordination unit in SESPAS. The Project Coordination Unit is ascribed to the office of the Director Nacional de Salud and managed AID local currency funds. Project inputs for strengthening of office were principally salaries for four persons, office equipment (including a personal computer) and assistance in designing a financial management system with adequate controls. The unit continues to function despite the termination of the project three months ago. Between October 31, the PACD and December 31 they were financed by PL 480 funds. They are currently handling some UNICEF funds going in support of PLANSI and funds from the Pan American Health Organization in support of the EPI. Salaries for the four employees reportedly came from Project funds, then from the PL 480 funds and will, supposedly, come from national funds beginning this year.

## V. Reform Process

### A. Description

The first step in the reform process was an administrative analysis carried out from October, 1986 to January, 1987 by SESPAS and Clapp and Mayne personnel. Among other things that analysis revealed that SESPAS had no management instruments, nothing that could be used to provide continuity from one administration to another. This was true in every field. The information system was at a standstill because they had not paid IBM for computer rental. Each department was an island. The level of morale and motivation was low because of the highly politicized atmosphere. There was no merit system. Salaries were low, per diem was both low and always late in arriving. The budget was simply reproduced annually with little analysis. A large part of the budget was reserved by the President for his discretionary use. This report was well and thoroughly discussed and analyzed by SESPAS officials on the coordinating committee and approved by both that committee and the Minister.

One of the outcomes of the initial management assessment was the creation of a project coordination committee which, in time, became a SESPAS coordination committee.

The next phase was the preparation of the work plan. This was prepared during February and March, 1987. This work plan defined each task, the output of that task, amount of counterpart time needed, the amount of advisor time needed and a target completion date.

The following phase was implementation. This went on until the

original PACD of October, 1988. Five months earlier, in May, 1988 there had been a project evaluation. A six month, no-cost extension of Clapp and Mayne assistance was negotiated covering the November to April, 1989 period while AID prepared a Project paper amendment, negotiated an amended project agreement with the government and prepared and let an RFP to which Clapp and Mayne was the only respondent.

The period from March, 1989 to October 31, 1990 was the implementation frame for the add-on project which had as its basic goals the consolidation and extension of the work begun in the accounting, budgeting, information and personnel areas and development of new activities in the area of purchasing, supervision and monitoring and management training. The add-on project included institutional diagnosis of procurement/supply and transportation systems.

For six of the 24 months of the project extension disbursements were suspended by AID. There were two months suspended because of inadequate financial controls in the project coordination unit and another four months for non-compliance with a CP. The project suffered periods of suspended activities during the 1988 doctors strike also. The computers for the regions were acquired and arrived very late in the project.

A calendar with some key project events is included as Annex E.

#### B. Evaluation of the Reform Process

The administrative reform process developed by Clapp and Mayne was highly successful in terms of amount of reform accomplished and institutionalization and potential sustainability of those reforms. When one considers the relatively short time frame of this project and relatively low level of donor investment, it has been a very, very cost effective project. Several things have contributed to this success, some of them under AID and/or Clapp and Mayne control and others serendipity. Foremost were the Clapp and Mayne advisors. Dr. Pedro Rosado del Valle, the single permanent advisor, was a senior and experienced health administrator. More importantly, Dr. Rosado had extremely effective interpersonal skills and a sharp and disciplined administrative mind. As a Puerto Rican he blended into Dominican culture and harmonized with his Dominican counterparts. Dr. Rosado was both loved and respected by his Dominican counterparts. The importance of this relationship cannot be over emphasized. Alida Guzman, the Accounting advisor and Armando Lassus, the Information systems advisor, were also highly competent and effective Puerto Rican administrators, valued, appreciated and respected by their counterparts. James Villalobos, the second of two Personnel advisors demonstrated tact and persistence which finally resulted

in significant changes and advances in this delicate area. The other two Clapp and Mayne advisors, Lic. Manuel Armaiz and Lic. Miguel Nunez, procurement and transportation advisors respectively, spent less time in country and worked during a period of chaos in SESPAS.

In addition to the competent advisors, the form in which AID conceived the project and Clapp and Mayne interpreted it was highly effective. There were several elements but central to them all was the total involvement of counterparts in all phases of the activities. Over and over again this evaluator heard SESPAS officials state that the Clapp and Mayne advisors were different from other technical advisors because they worked with and did not just dictate to their Dominican counterparts. This was true in the initial diagnoses of each of the problem areas and, especially, in the use of the coordinating committee as the forum in which reforms were fully vetted before being implemented. This committee brought AID, Clapp and Mayne and key counterparts together regularly to approve reforms and analyze and resolve project implementation problems. Participants were very senior level and represented all aspects of SESPAS operations where reforms were anticipated.

Clapp and Mayne advisors with their SESPAS counterparts came up with a very precise definition of what had to be done in each of the management areas, defined the tasks and assigned both time limits and responsibilities for achievement of each task. This permitted a very clear and focussed advance of project activities on the one hand and a rapid identification of delays on the other. It also permitted the efficient use of the non-permanent advisors. Whenever the work plan called for the assistance of one of the advisors he or she would come, leaving when subsequent tasks were the responsibility of SESPAS personnel. This process was facilitated in the case of most of the advisors by their close proximity in Puerto Rico to and from which flights are frequent and rapid.

Within AID there was a strong management team which also facilitated project implementation. Dr. Lee Hougen was a senior AID official with previous Dominican Republic experience and Lisa Early was a dynamic, energetic and creative administrator. They served to support project activities and to get the sometimes cumbersome AID bureaucracy to respond as rapidly as possible to project needs.

Serendipity also played a role, both smiling upon and later frowning upon the Health Systems Management Project. The first project paper amendment was signed on July 15, 1985. In the year between signing the revised ProAg and contracting the technical assistance team, however, there was a change in government. No one

could have imagined that the new government would provide several key counterparts that would see and use the potential of the Health Systems Management Project to revamp and dynamize SESPAS administration. Those key officials included Dra. Rosa Maria Belliard, Assistant Secretary for Planning, Dr. Miguel Campillo, Director Nacional de Salud, Dra. Sonia Candelario, Director of Systems and Lic. Leonilda Miranda, all highly competent and part of the Minister's inner circle. These officials occupied central offices and saw the potential of the project, thus both using it to accomplish their ends and giving it their time and support.

This confluence of circumstances permitted rapid advance of activities in the budgeting, accounting and information systems components. The personnel area, however, never enjoyed a similar counterpart, partially explaining its lack of progress compared to the other areas. The project thus prospered for three years until August, 1989 when the Minister of Health, Dr. Ney Arias, was removed during the physicians' strike. Dr. Ney Arias' replacement quickly removed Dr. Campillo and Lic. Miranda and the general pace of project implementation slowed. The new project coordinator, Dr. Winston Alvarez, was more authoritarian in his approach and the finance office suffered from a series of directors none of whom demonstrated interest in the project. This SESPAS team was replaced after about nine months in office, and the current team, more interested in project activities, assumed control.

Another seldom mentioned factor played an important role in allowing the project to advance so rapidly. This was a policy decision to recognize and compensate overtime work dedicated to project implementation. This provided an enormous incentive to SESPAS technicians to complete project related assignments.

## VI. Institutionalization and Sustainability

### A. Institutionalization

#### 1. Accounting Procedures

A number of significant changes in how SESPAS units handle their accounting procedures at all levels have been institutionalized in the sense that they are the official SESPAS accounting procedures. These procedures have been authorized by the General Controller's Office of the Republic, thus making them the standard by which that office would audit SESPAS books. Manuals explaining the process at all levels were available and used regularly in all of the health offices visited by the evaluator in his field visits. Many SESPAS administrators and accountants have been trained and subsequently supervised in the use of the procedures. The SESPAS auditing office uses the project developed supervision guide as one of its auditing guides. Nevertheless, the frequent turnover in accounting

and administrative personnel at all levels has already begun to erode some of the more difficult aspects of the system, especially that of recording financial commitments. Even the new chief of the SESPAS Finance office feels the need for technical assistance to fully grasp all of the nuances and capabilities of the system. In addition to the procedures, computerization of the system at the central level has made possible accurate, timely, reliable and complete reports, where previously there were two to three month delays in financial reports.

## 2. Budgeting

The budgeting process also seems to be well on its way to institutionalization. A major step forward occurred this year, after the project ended, when ONAPRES approved the budget as presented by SESPAS and, because of the sound budgeting procedure, gave them an almost 100 percent increase in budget level. A manual has been produced. Several steps in the budgeting cycle have still not been implemented. The most important of these is the monitoring of budget execution in light of performance indicators. If that occurs this year, then this process will have taken another major step forward in the institutionalization path.

## 3. Information Systems

The major reform in this area has been in the flow of information. That flow has become more rapid and more useful to decision makers. A corollary to the flow has been the expanded use of automated data processing. ADP is now used not only for program and epidemiologic data, but also for personnel management, financial management and vehicle management. An information manual has been drafted and will be published and sent to the field within the next two months. This is one area where there has been no change in the key SESPAS personnel during the life of the project.

## 4. Personnel

A Personnel policy has been promulgated and a personnel regulation developed and implemented. The personnel office has been restructured. Substantive change, however, is less than in the above mentioned areas. There is currently a favorable policy environment and if that persists for the next couple of years continued development of personnel management capability could be expected with consequent institutionalization.

## 5. Procurement

Little accomplished in terms of reform. No institutionalization.

## 6. Transportation

There is little noticeably accomplished in the establishment of a motor pool, but, as with personnel, there is a favorable environment. If that continues, then it is likely that development in this area will continue based upon work done under the project but without direct AID funding. Currently, however, there has not been any institutionalization of reforms.

## 7. Cost Recovery

Once again this is still in the process of development, thus it is hard to say if institutionalization is likely. A cost recovery policy exists and a cost recovery manual developed without technical assistance input. That would bode well for policy implementation. Institutionalization will depend to a certain extent upon stability in SESPAS leadership for the next few years.

## 8. Management Training

A new, appropriate and effective educational methodology was introduced through the AUPHA buy-in. There is not sufficient evidence to suggest that the process has been institutionalized in INTEC as planned. There are no future courses scheduled to my knowledge.

### B. Sustainability

Making judgements on sustainability requires skill gazing into a crystal ball. Thankfully there are a few tools to assist in that gazing. AID's Office of Policy and Program Coordination (PPC) published a document titled "Sustainability of Development Programs: A Compendium of Donor Experience" in 1988. That document suggests that the chances of any AID project being sustained are low. A *review of Agency project evaluations in FY 1986 found that only 11 percent of the 212 projects evaluated had a strong probability of being sustained after the termination of U.S. assistance and 25 percent had poor prospects.*

The document defines sustainability as being *able to deliver an appropriate level of benefits for an extended period of time after major financial, managerial and technical assistance from an external donor is terminated.* Seven factors were found that effect sustainability - government policy, management, organization and local participation, finance, technology, socio-culture, environment and ecology and external political and economic circumstances. Not all of these are useful in trying to judge the likely sustainability of the Health Systems Management Project, but

many are.

### 1. Host Government Policies

The AID Compendium states:

*"Developing country commitment to a program is one of the most commonly identified factors affecting sustainability. Analyses of this commitment take into account the agreement on objectives; the breadth and depth of support within the responsible organizations and from various political, bureaucratic, private and local community groups; and the willingness to provide financial and personnel resources. Country commitment is also shaped by perceptions of mutuality of interests versus perceptions of predominately donor-driven interests. Since commitment may vary over time and be affected by external factors and competing interests, it needs to be assessed on a continuing basis."*

During the four years of project implementation, broad and deep governmental commitment was present for three years, commitment at the highest levels was lacking for nine months and during the last nine months commitment has been present once again but not as intense. Clearly there was the perception of mutuality of interests, and the government has committed financial and personnel resources in creating new positions where needed for management reform support.

### 2. Management

*"Managerial leadership is key in developing sustainable programs. In many respects, sustainability and program management are two sides of the same coin. Program management encompasses responsibility for shaping policy and technological applications, setting goals, and mobilizing support from political leaders, complementary organizations, and beneficiaries, as well as directing internal administration. These management responsibilities are all essential to sustainable programs."*

*"When project objectives are well matched with an organization's administrative capability - existing or expanding over time - sustainability is enhanced. Administrative systems for personnel and training, logistics and maintenance, information and feedback, and budget and finance will need to be developed to keep pace with program dynamics."*

This project not only enhanced its own sustainability but that of

all other SESPAS projects, precisely by concentrating on the vary management functions which are necessary for program sustainability.

### 3. Financial Factors

*"A major impediment to sustainability has been the inability to achieve continued, regular funding of annual operating costs. Experience shows that unless developing country financial support is phased in while external support is still being provided, such support is unlikely to be provided after donor support ends. Where the financing of recurrent costs is a chronic problem, donors may have to cover a portion of these costs for an extended period."*

Fortunately, the Health Systems Management Project does not carry a major recurring cost burden. Nevertheless, there are some recurrent costs. If these are not covered it will substantially decrease the probability of sustaining many of the gains under the project. For the next year or so on-going supervision and monitoring of the various systems, especially the personnel, accounting and financial systems, will be necessary. There will also be the need to publish some of the personnel manuals that are drafted but not yet produced. Funds are reportedly available in the ONAPRES approved 1991 for these purposes.

### 4. Technological Factors

*"The technology chosen for the development program must be appropriate both to the developing country's financial and institutional capabilities and to the program goals. The technology must be accepted with mechanisms for its maintenance and renewal."*

*"The development and application of 'soft' technologies such as organizational structure and management, personnel and training practices are important to facilitate the assimilation of new "hard" technologies"*

With the exception of the computers, all of the technologies introduced under this project were "soft" technologies. The question of computer maintenance is germane, but not answerable at present. There is in-country capacity to repair the IBM PS2 computers but whether the managerial and financial ability to get this done will exist is not known.

## 5. Sociocultural Factors

*"The integration of a program with the social and cultural setting of its beneficiaries and operating circumstances becomes especially important if the activity is not to be rejected after assistance ends."*

Nothing was done under this project which required behaviors which are not socially or culturally acceptable.

## 6. Environmental and Ecological Factors

Not applicable to this project.

## 7. External Factors

*"Political instability, or even frequent turnovers in political leadership, can undermine, if not destroy, the long-term growth most programs require to reach sustainability."*

*"Economic instability also can be disruptive to program sustainability through the negative impacts of high inflation on budgets, foreign exchange shortages on capital equipment and spare parts, or declining world market prices. Countries at low levels of development can be particularly vulnerable."*

*"Where the development program or other forces cannot bring about changes in the external circumstances to create a more positive setting, coping mechanisms may need to be built into program management. Longer term assistance may also be necessary. Also, where programs and their benefits are deeply embedded in local institutions, their chances for coping with adverse circumstances and, thus, their sustainability are substantially improved."*

Frequent turnovers in political leadership, as described above, has impacted on long term growth as has rampant inflation. Interestingly, the remedy prescribed by AID in its Compendium on Sustainability for this malady is "longer term assistance".

To summarize the following factors favor sustainability:

- History of and current government commitment to the majority of project reforms
- Broad support within SESPAS
- Perception by SESPAS of the "mutuality of benefits"
- Focus on developing managerial leadership and long-term organizational development.
- Relatively low recurrent costs.
- Concentration on "soft" technologies and appropriate "hard" technologies.
- Conformity with sociocultural norms.
- Relative political stability

The factors against sustainability are:

- Varying political commitment
- Insecurity of the even low level of recurrent costs needed to maintain supervision activities and publish needed manuals
- Frequent turnovers in key positions

If AID can find a mechanism for providing some continued support for supervision and similar activities, the probabilities of sustainability will be greatly increased.

## VII. Conclusions and Lessons Learned

• Although not objectively verifiable, the evaluator believes that this project has impacted on the quality and quantity of health services. This is particularly true of the information system. In a more indirect fashion it is true of the accounting system. The budget cycle will also impact, especially on the quantity of care, when and if it is fully implemented.

• In general this has been an extremely effective project, achieving notable institutional development in an astonishingly short time. Not surprisingly, the greatest achievement has been in the four areas which benefitted from the longest continued assistance - budgeting, accounting, information systems and personnel.

Little lasting achievement has come from efforts in procurement and transportation. Management training was very successful but not institutionalized. Little permanent reform was achieved in procurement and transportation. This can be attributed to the short time frame allowed for these activities.

- In retrospect, and in the opinion of this evaluator, too much was expected in too short of a time frame but, almost miraculously, a big chunk of it was delivered. AID would have greatly facilitated institutionalization and sustainability if the Project had had a longer time frame.

- Also, in retrospect, AID should have accepted the Clapp and Mayne offer of a no-cost extension.

- The Project was good methodology.

- The fact that progress continues to be made in information systems and budgeting further demonstrates the importance of the project. Supervision is also continuing in the personnel and accounting areas with national funds.

- The package of one resident advisor and numerous short term specialists was a very cost effective mechanism for accomplishing project objectives.

- If the personnel policy which has been presented to the Dominican Congress by the President is approved by the Congress, one of the major obstacles to institutionalization and sustainability will have been addressed.

- SESPAS has removed the vehicles from the two regions that had them. This will seriously effect the ability of those regions to supervise activities.

- AID's frustration with the public sector because of its inefficiency and arbitrariness is understandable. Nevertheless, it is important to remember that the private sector is never going to have the coverage that the public sector has nor is the private sector likely to provide a significant portion of health services to the poor urban and rural populations, the target of most of AID's assistance.

- The entrance of the Minister and his staff in August, 1989 dealt an almost mortal blow to the project. The fact that so much could outlive that period is an example of how important and institutionalized project activities really are.

- Many of the people supporting the project are thinking of leaving. This will have a negative impact on the project.

- AID semi-annual report formats change so often that it reduces the utility of that document for project monitoring and evaluation purposes

#### VIII. Recommendations

##### A. Short Term

- Find a way to get the Clapp and Mayne advisors back for occasional short term support over the next several months through the LA Tech Project, PD&S or some other mechanism. Failure to do this would unnecessarily increase the risk of erosion of gains under the project.

- If SESPAS budgetary funds cannot cover costs for on-going activities such as per diem for supervision some way should be found to provide this type of assistance.

- Try to get SESPAS back to Regions I and II one or both of the vehicles that were assigned to them under the project.

##### B. Long Term

- Do a follow-on project with the same methodology but longer time frame.

#### IX. Annexes

- A. Persons Interviewed
- B. Schedule and Itinerary
- C. Bibliography
- D. Scope of Work
- E. Calendar of Some Significant Events in Life of Project

## HEALTH SYSTEMS MANAGEMENT PROJECT FINAL EVALUATION

## PERSONS INTERVIEWED

## Clapp and Mayne

Lic. Edibaldo Silva, President  
Dr. Pedro Rosado del Valle, Project Coordinator  
Lic. Alida Guzman, Co-coordinator and Finance Advisor  
Lic. Armando Lassus, Information Advisor  
Lic. Manuel Armaiz, Purchasing Advisor

## USAID/Dominican Republic

Lic. Sarah George, AID Project Manager  
Dr. John Thomas, Deputy General Development Officer

## SESPAS

Dr. Brigido Garcia, Director Nacional de Servicios de Salud  
Dra. Sonia Candelario, Director de Oficina de Sistemas  
Genl. Guzman, Jefe of Personal  
Lic. Federico Arias, Director de Oficina de Informatica  
Lic. Luis Roa, Director del Centro de Computo  
Lic. Josefa Pena, Chief of Personnel Classification  
Lic. Elia Fermin, Chief of Personnel Training  
Lic. Antonia Solano, Chief of Financial Directorate  
Lic. Ortiz Zepeda, Chief of Purchasing  
Crnl. Santiago Frias, Special Assistant to the Minister  
Crnl. Angel Ramos, Head of Transportation Office  
Bernarda Santos, Accountant, National Health Director's Office  
Dr. Reyes Nin, Director of Region I  
Lic. Leyda Mejia de Pena, Regional Administrator, Region I  
Violeta de Huerta, Personnel Officer, Region I  
Isabel Dorado, Auxiliary Stistician, Region I  
Lic. Soveda Andrea Soto, Computer Operator, Region I  
Marcelo Nin, Assistant Computer Operator, Region I  
Dr. Jose Herrera, Sub-Director, Hospital Regional de Bani  
Dr. Rafael Vasquez, Administrator, Hospital Regional de Bani  
Johnny Suazo Accountant, Hospital Regional de Bani  
Solenia Lora, Statistician, Hospital Regional de Bani  
Myra Cruz, Accountant, Sub-Centro de Nizao  
Dra. Gladis Sanchez, Regional Director, Region II  
Maria Nunez, Regional Administrator, Region II  
Teodora Antigua Alcantra, Regional Project Supervisor  
Lic. Jose Tolentino, Regional Statistician  
Lic. Wei Fong Leong Ng, Principal Computer Operator  
Dr. Luciano Rodriguez, Regional Epidemiologist  
Dr. Reynaldo Peguero, Assistant Epidemiologist  
Adriana Rodriguez, Head of Human Resources

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Lic. Mariano Perez Espinoza, Statistician, Hosp Cabral y Baez

Lic. Norma Ortega, Administrator Hosp. Cabral y Baez  
Dr. Carmen Checo, Director Sub-centro, San Jose de las Matas  
Bienvenida del Orbe, Regional Administrator, Region III  
Lic. Jose Duran, Regional Statistician, Region III  
Dulce Maria Alvarez, Administrator, Hosp San Vicente de Paul  
Juan Luis Ventura, Hospital Statistician

Other

Dra. Jaqueline Medina, INTEC  
Dr. Miguel Campillo, ex-Director Nacional de Salud  
Lic. Leonilda Miranda, ex-Chief of Finannces, SESPAS

## HEALTH SYSTEMS MANAGEMENT PROJECT FINAL EVALUATION

## SCHEDULE AND ITINERARY

## Week 1 (January 21 - 26)

- Monday: Interviews with Dr. Pedro Rosado, Lic. Alida Guzman and Lic. Armando Lazsus of Clapp and Mayne in San Juan
- Tuesday: Travel to Santo Domingo & arrange computer rental
- Wednesday: Meet with AID Officials, Lic. Sarah George and Lic. Jack Thomas and review documents
- Thursday: Review documents and meet SESPAS project coordinator, Dr. Brigido Garcia
- Friday: Interviews with Dr. Brigido Garcia, Dra. Sonia Candelario, Lic. Federico Arias and Lic. Luis Roa.
- Saturday: Document review, prepare outline and schedule

## Week 2 (January 28 - February 2)

- Monday: Meet with SESPAS officials Lic. Josefa Pena, Chief of Personnel Classification, Lic. Elia Fermin, Chief of Personnel Training, and Coronel Angel Ramos, Head of Transportation.
- Tuesday: Meet with SESPAS official, Lic. Antonia Solano, head of Finances.
- Wednesday: Meet with Dra. Jaqueline Medina, INTEC Management Training supervisor, Lic. Leonilda Miranda, ex-Chief of Finances, Dr. Miguel Campillo, Ex-National Health Director, Lic. Luis Roa and Lic. Ortiz Zepeda, Head of Purchasing in SESPAS.
- Thursday: Visit to Region I offices, Hospital nuestra Senora de la Regla, sub-centro de Nizao and Clinica Rural de Juan Barahon.
- Friday: Interview Clapp and Mayne officials, Dr. Pedro Rosado del Valle, Lic. Armaiz and Lic. Armando Lasus in San Juan.
- Saturday: Document review

**Week 3 (February 4 - 9)**

**Monday:** Visit to Region II, Hospital Cabral y Baez, Sub-centro San Jose de las Matas  
**Tuesday:** Visit to Region III, Hospital San Vicente de Paul  
**Wednesday:** Document review, Interview with Dra. Candelario  
**Thursday:** Writing  
**Friday:** Interviews with Genl. Guzman, Chief of Personnel and with Crnl. Frias, Special Assistant to the Minister; Writing  
**Saturday:** Document review and report writing

**Week 4 (February 11 - 13)**

**Monday:** Present draft report to AID  
**Tuesday:** Mission debriefing and depart country

HEALTH SYSTEMS MANAGEMENT PROJECT FINAL EVALUATION

BIBLIOGRAPHY

AID Evaluation Handbook, AID Program Design and Evaluation Methodology Report No. 7, Washington, D.C.; April, 1987.

AID Handbook 3, Chapter 12, "Project Evaluation", Washington D.c.; September, 1982.

Clapp and Mayne: Periodic Reports and Final Report

Health Sector Assessment: Dominican Republic (Draft);  
USAID/Dominican Republic; Santo Domingo; 1990.

SESPAS: Budget Manual, Information Manual, Personnel Manuals,  
Personnel Regulation and Accounting Procedures

Smith, B. & Bridwell, D.; Institutional Analysis/Evaluation of the Health Systems Management Project; PRITECH; Rosslyn, Virginia; May, 1988.

"Sustainability of Development Programs: A compendium of Donor Experience"; AID Program Evaluation Discussion Paper No. 24; Agency for International Development; Washington, D.C.; 1988.

USAID Health Systems Management Project Documents: Semi-Annual Reports, Project Papers and Amendments, Project Agreement and Amendments, Short term consultant reports, Relevant Project Implementation Letters

## STATEMENT OF WORK

### I. Purpose

To conduct a Final Evaluation of the Administrative reform component of the Health Systems Management Project (517-0153), to determine: 1) Institutionalization of reforms developed and implemented during the life of the project; and, 2) Impact of reforms on health care delivery.

### II Background

In February 1984, USAID/DR and the GODR signed the Health Systems Management Project Loan and Grant Agreement, whose goal and purpose were to increase the quantity and quality of SESPAS-delivered primary health services by improving SESPAS finance, logistics, information, supervision, personnel, maintenance and planning systems. In addition, SESPAS personnel were to have learned administrative and management skills through in-country workshops, long term participant training and a built-in continuing education program.

In August 1985, USAID and the GODR amended the original project to be limited to improve SESPAS financial, information and personnel managements systems (Management Systems Improvement Component) and to develop surveillance and control for schistosomiasis, dengue and yellow fever (Disease Control Component). Original project goal and purpose were maintained.

In August 1986, USAID contracted with Clapp and Mayne, Inc., to provide two years of technical assistance to SESPAS under the project to improve management systems. In June of 1988, an Institutional Analysis determined that the project had reformed many SESPAS managements 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, and was planned to be implemented before 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.

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As a result of the project achievements, SESPAS requested that it be expanded. Amendment No. 3 to the Health Systems Management was signed on August 16, 1988. The PACD was extended for two years, from October 30, 1990. The contract with Clapp and Mayne was also extended for two more years. The amendment aimed to institutionalize project activities in the areas of financial management, information systems and personnel administration, and additional reforms would be made as follows: the budgeting process would be consolidated and fine-tuned and resources redistributed in accordance with the approved budget; budget execution would be monitored; the computerized financial system would be extended to six more regions; and a cost accounting system would be developed and implemented. Also, the amendment expanded the project so that it could provide assistance to SESPAS in reforming the purchasing and supply system, improving the monitoring/supervision of project activities in two pilot regions, developing and implementing a management course for mid-level regional administrators, and upgrading the Dirección Nacional de Salud so that it could better coordinate this and other A.I.D. funded projects.

### III. Scope of Work

The contractor will provide the Mission with one consultant to perform the following tasks:

- a. Determine whether the administrative reform component of the project was implemented in accordance with Project Planning documents, including whether the outputs listed have been accomplished and the degree to which the systems established are functioning.
- b. Analyze the process by which reforms have been made.
- c. Determine whether the project successfully institutionalized significant and necessary improvements in SESPAS management systems. Determine the level of institutionalized reforms and identify factors determining level of sustainability.
- e. Determine whether management reform has had a substantive impact on health care delivery.
- f. Determine the effectiveness of the strategy used for the managerial course for mid-level SESPAS administrators. Assess the impact of training on improved management by participants.
- g. Recommend ways by which key areas of Health Management could be assisted in the future.

To carry out the above, the Contractor will:

1. Review and analyze project documents produced by A.I.D., SESPAS and Clapp and Mayne (including the Project Paper, Project Agreement, diagnostic study of SESPAS Management Systems, Norms and Procedures Manuals, 1988 Institutional analysis, minutes of Administrative Reform Steering Committee meetings, Progress Reports, and Final Reports).
2. Discuss the project development and implementation with A.I.D. project officers and Clapp and Mayne Resident Advisor.
3. Meet with SESPAS personnel at central and regional levels (with emphasis in Pilot Regions I and II) and assess the degree to which reforms and systems established under the project have been institutionalized, and how the project has assisted them.

Assignment will begin on or about January 24, 1991. Final report will be submitted to USAID/DR, no later than April 15, 1991.

#### IV. Level of Effort

It is estimated that 22 person/days of work is required to complete the work assignment. Six-day work weeks are authorized. Consultant will be authorized two days to review documentation noted in section II (a) of this Statement of Work before departure for the Dominican Republic. An additional two days will be also authorized after departure from the Dominican Republic to complete the final report.

#### V. Qualifications of Advisor

The Consultant provided by the Contractor, should have expertise in health/administration/management reform. consultant must be completely fluent in English (at the level of native reading and writing ability), and have a Spanish proficiency of FSI: R 3/ S-3

#### VI. Reports and Deliverables

- a. A proposed plan and methodology for the evaluation and the evaluation schedule will be submitted by Contractor to the USAID/DR by COB of the second day in-country of the evaluation.

- b. The Contractor will submit a draft report one day prior to final debriefing to be held with USAID/DR. After the debriefing meeting a copy of the revised draft report should be submitted to USAID/DR prior to Consultant's departure from the Dominican Republic.
- c. Within two weeks of receiving USAID's comments, the Contractor will submit the report in final both in Spanish and English. The final report must contain the following sections (refer to A.I.D. Evaluation Handbook, page 26, 27, Reporting Requirements, for additional details):
  1. Executive Summary.
  2. Project Identification Data Sheet.
  3. Table of Contents.
  4. Body of the Report (Include findings, lessons learned, recommendations, etc.).
  5. Appendices

#### VII. Logistical Support

Transportation for field trips will be coordinated by SESPAS and provided by vehicles donated under the subject project. Transportation within Santo Domingo will be a responsibility of the Contractor. There will be a line item for in-country transport, taxis can be reserved by the hour or can be obtained by telephone. Contractor will also be provided with funds to obtain secretarial support and rent a laptop computer.

## CALENDAR OF SIGNIFICANT EVENTS IN LOP

January 27, 1984:	Original PP signed
July 13, 1985:	First PP amendment scaling back project
August 16, 1986:	New Administration (Balaguer)
September (?), 1986:	PACD Extended from January to October, 1988 to permit signing of two-year TA contract
October, 1986 (?)	Clapp and Mayne advisors arrive and begin "Phase 1" activities
October, 1986:	Formation of project coordination committee
December, 1986	Diagnosis of management systems and of information systems completed and discussed in technical level and political level seminars
March, 1987 (?)	Position papers for human resources development, information and planning and budgeting completed and detailed overall work plan submitted. Beginning of "Phase 2"
April - July, 1987	No personnel director
March - Sep, 1987	National Director of health appointed as project coordinator (Dr. Miguel Campillo)  Unexplained delays in personnel area  Doctor's strikes slow down implementation  Project coordination committee becoming a forum for addressing SESPAS management problems
November, 1987	Personnel division tasks reprogrammed in light of the presence of an office director but delegated to two low ranking employees
January, 1988	Training in the use of the new accounting procedures begins

May, 1988	Institutional analysis and evaluation
June, 1988	SESPAS personnel policy approved by the Minister
July, 1988	Authorization amendment, PP and ProAg amendments
10/88 - 3/89	Computer hardware and software purchased and installed
"	Budgeting manual completed
"	Auditing firm assists DNS in setting up acceptable financial management system for project funds
"	Project disbursements halted for two months by Mission because of faulty accounting procedures in project office
March, 1989	New Clapp and Mayne contract signed
	MUNIS financial management computer program installed
May, 1989	Personnel department reorganized and qualified personnel hired to staff office.
	Management and Supply diagnosis completed
April - September, 1989	New Secretary of Health and new staff people under him
"	CP for cost-recovery policy extended from August to November, 1989
"	Frequent electricity black-outs
July - September, 1989	Nation-wide physicians' strike slows down project implementation
August 89 - Oct 90	Three different finance directors
December, 1989	AUPHA buy-in finally completed

February, 1990 Managerial course initiated

Oct - March, 1990 New structure for the purchasing and supply departments approved

" Vacancies in the purchasing and supply divisions slow advance in those components

March 23 to July 23, 1990 Funding suspended because SESPAS does not meet new cost-recovery CP date

May, 1990 SESPAS authorities change once again bringing in group with interest in pursuing project activities

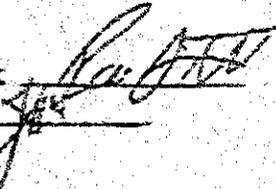
June, 1990 MSP issues cost-recovery policy

April-September, 1990 During four of the six months disbursements were suspended because of the lack of a cost-recovery policy

1455 106 DR

FAX MESSAGE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
Santo Domingo, Dominican Republic  
FAX No. 809-685-1939

ANNEX F - 1

DATE: March 18, 1991  
MESSAGE FROM: Sarah George, General Development Office, USAID/DR  
MESSAGE TO : Danielle Grant, PRITECH  
FAX NUMBER : (703) 525-5770  
NUMBER PAGES: 2  
APPROVED BY : GDO: PSturharik   
CLEARED BY : GDO: JHThomas 

MESSAGE

REF: Health Systems Management Project (517-0153)  
Final Evaluation Report

We had the opportunity to discuss the referenced draft with Barry, prior to his debriefing to the Mission Director. Most of our observations were incorporated by Barry in the draft report prior to his departure from country. During the debriefing to the Mission management, Barry was able to take some notes on the reactions to the report. Some additional comments are as follows:

1) The evaluation relates to the project itself and the implementing contractor, neglecting the overall context. As discussed with Barry during the debriefing, we will prepare a cover memo that puts the project and its outputs into perspective with respect to overall GDR capabilities.

We understand time was not sufficient to look into the issues more deeply. Most of the information was obtained by the evaluator through interviews and document analysis. Less was obtained by direct observation.

2) Management Training- To evaluate the impact of the mid-level management training and the validity of the long distance strategy, Barry interviewed some of the participants and the course coordinator, (a SESPAS employee). The impact of the training on the participants efficacy was not measured, nor was the validity of the strategy.

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3) Sustainability- Broad support within SESPAS is mentioned as a factor favoring sustainability. The support existed at the technical levels at all times. Support at the highest levels in the second paragraph of the report is present as stated by Barry himself

4) MIS- The report does not deal with important issues such as quality of data, confidence in SESPAS produced data both within and outside of SESPAS, and the use of data for decision making.

5) Recommendations- SESPAS commitment was to include line items in their budget for FY91, to cover expenses such as monitoring/supervision activities and reproduction of manuals developed under the project. This should not be a problem if there is real interest to sustain the project results.

A follow-on project is not feasible at this time. Looking into the major health problems in the Dominican Republic, i.e. high child mortality and morbidity, and the Mission's limited resources, we have to set priorities. Other international agencies such as PAHO are designing projects to reinforce the administrative reforms implemented by the HSM project.

We would appreciate the submission of the Final Report at your earliest convenience.

Thank you for your continuing support.

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## MEMORANDUM

TO: Sarah George, General Development Office, USAID/DR

THRU: Danielle Grant/PRITECH

FROM: Barry Smith

SUBJECT: Response to Mission Comments

DATE: April 14, 1991

PRITECH has been kind enough to fax to me a copy of your written comments on my evaluation of the Health Systems Management Project. When Danielle Grant first communicated those to me by telephone my inclination was to try to incorporate them into the report. After having a chance to review the comments in writing and to review my report, I have decided that the best thing to do would be to add both your comments and my response into the report as annexes. I hope that that meets with your approval.

Although I have not seen the cover memo to the files which the Mission plans to send with my report, the debriefing with the Mission revolved around a general and widespread dissatisfaction with the positive nature of the report and specifically with the recommendations that project activities be continued through a follow-on project. The fundamental reason for the divergence in opinions was that I looked only at the project of the Health Systems Management Project within the context of SESPAS, whereas USAID officials were looking at the project and SESPAS within the context of the government in general. I believe that I successfully defended my conclusions within the context that I worked. I did not look at the wider context for several reasons. In the first place, whereas I knew from comments by Mission staff that they were not happy with the public sector, I did not understand that the Mission wanted me to place my evaluation within that context. Furthermore, to do so would have required more time to understand the general political environment of the country and the relative strengths and weaknesses of SESPAS within that environment and would probably have required persons with skills complementary to mine.

I believe that at the end of the debriefing we agreed that within the scope of my evaluation (i.e. that project within the context of its goals, purposes, outputs, institutionalization and sustainability in SESPAS) my conclusions were both sound and defensible and that within the wider vision of Mission experience and policy their doubts about working with the public sector were also reasonable. The cover memo by the Mission was to cover that disagreement.

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I am distressed that the Mission was not pleased with the evaluation, but have yet to hear someone suggest that the information is inaccurate or the conclusions indefensible.

The Mission's comments on my evaluation note that the impact of the training on participants efficacy was not measured nor was the validity of the strategy. That is a valid comment. I make two valuatve comments about the management training program.

"A superficial look suggests that the program was successful in raising the level of management skills of students. Familiarization with public health terminology and disciplines have improved communication and encouraged positive practices such as the delegation of authority." (page 22)

"A new, appropriate and effective education methodology was introduced through the AUPHA buy-in. There is not sufficient evidence to suggest that the process has been institutionalized in INTEC as planned. There are no future courses scheduled to my knowledge." (page 28)

Those comments are based upon my interviews with about ten course graduates and teachers. It is a superficial look precisely because there were very few persons interviewed. The measurement of the impact of the training on efficacy would require a very detailed and carefully designed study comparing pre-training efficacy measurements with post training ones. Lacking such information, I could only use anecdotal evidence and my own judgement. I believe that the strategy was appropriate and effective, as indicated by the second quote above.

I base this conclusion on the number of persons trained in the short time available for the course, the enthusiasm developed in the students, the generation of demand from non-participants for additional courses and the benefits perceived by the participants as communicated to me in my interviews with them. To be able to simultaneously train this number of mangers without bringing the health system to a standstill is noteworthy. I don't know how to go any further in evaluating this aspect of the project.

In regard to sustainability, I do not detect a disagreement with my conclusions, but rather a desire to emphasize the fragility of the political commitment of the project at the highest levels of SESPAS. That is an accurate assessment.

The Mission states that the report does not deal with important issues such as the quality of data, confidence in SESPAS produced data, both within and outside of SESPAS and the use of data for decision making.

The last of these issues was dealt with specifically in the report under section dealing with "additional routine reports developed and implemented to assist central and regional

authorities in managerial decision-making" On page 14 the report states:

"The first regular reports were for the Expanded Immunization Program (EPI) and provide an excellent example of how this project complemented child survival activities. There are currently over 200 routine reports just of epidemiological and program activities. In addition there are numerous reports being produced for accounting, budgeting and personnel purposes. Now that SESPAS is able to generate timely and accurate information, the demand for that information has expanded rapidly.

"One example of information use in decision-making is that of the Hospital Cabral y Baez in Santiago cited above. The use of EPI data by epidemiologists, in targeting vaccination activities is the most frequently mentioned example of information use for decision making.

"Furthermore, with the linking of productivity to budget, there is an ever-increasing interest on the part of managers to look at productivity indicators and to use them for the identification of problems."

I think that addresses the issue of the use of the MIS for decision-making purposes. If the Mission wishes to have more detailed discussion of the issue I can do that. It would require my communicating with Federico Arias and/or Luis Roa, and I would be happy to do so.

The question of the quality of data was also addressed in the report, although not in a qualitative sense. Once again, it is a question of what I understood that the Mission wished for me to do. I was evaluating the project, not the information system as such. One of the project outputs was the establishment of norms and procedures for the control of data quality. I report that:

"The status of norms and procedures for data quality control is in much the same position as that of feedback. Actions are taken for the control of data quality at all levels, but procedures are standardized in the information system manual which is currently being produced. Data quality control begins at the establishment level where the internal consistency of forms which summarize data is checked. That process is repeated at each level. At the regional level data is checked after entrance in the computer, comparing the data placed in the computer to that which is on the forms sent from the lower levels. Certain information is always flagged for follow-up to ascertain veracity of the information. This is true, for instance, for every reported case of polio or diphtheria.

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Consistency of result across establishment, areas and regions are looked for to find and follow-up on "outliers".

I did not do an independent analysis of data quality, although my subjective impression in speaking with the information system personnel at the central level and in three regions is that whereas there have been some improvements in quality of data, the major improvement has been in timeliness. The major quality problem is under-reporting, upon which they did not have hard data at the time of my report.

Finally, I did not comment on confidence in the data both within and outside of SESPAS because I was not asked to do so. I limited myself to reporting on the establishment of the norms and procedures. My impression is that there is a growing confidence within SESPAS of the usefulness of SESPAS data. This is reflected in the increasing demand placed on the Information and Computer offices for reports. It is not possible, however, to overemphasize the importance of timeliness of data for this increased demand.

The latter two observations by the Mission do not require modifications in the report.

Once again I am distressed that the report did not live up to Mission expectations. If I could have gotten a draft to them earlier we might have cleared these issues up quite easily. There just wasn't sufficient time to do that.

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FAX MESSAGE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
Santo Domingo, Dominican Republic  
FAX No. 809-685-1939

DATE: May 9, 1991 *David George*  
MESSAGE FROM: Sarah George, General Development Office, USAID/DR  
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MESSAGE

REF: Health Systems Management Project (517-0153)  
Final Evaluation Report

Thank you for faxing us a copy of Barry's response to our final comments on the subject report. We are sorry to learn about Barry's distress with the fact that the Mission was somewhat critical of the positive nature of the report as well as the recommendation of a follow on project. We agree that a lot was accomplished under this project, considering the level of funding involved and the difficult environment in which the project was implemented.

The current situation within SESPAS and the GOCR does not appear to be conducive to long term commitment to systems improvement and therefore the sustainability of reforms implemented under this project is questionable. Two of SESPAS' most valuable staff members from the Computer Department, Luis Roa and Antia Pache have recently resigned their positions due to a lack of adequate support. In addition, some of the reforms such as budget formulation need to go beyond SESPAS. We believe that long term improvement within the GOCR is not possible without the establishment of a career Civil Service.

The suggestion made by Barry in regard to the comments on the report is valid. Both, our comments and his response can be attached to the final report as an annex. \*

We appreciate your continuing assistance in this matter.