

A.I.D. EVALUATION SUMMARY - PART I

DD-ABL-664

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1. BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS.
2. USE LETTER QUALITY TYPE, NOT DOT MATRIX TYPE.

IDENTIFICATION DATA

A. Reporting A.I.D. Unit: Mission or AID/W Office <u>USAID/PERU</u> <u>HPN Office</u> (ES# _____)	B. Was Evaluation Scheduled in Current FY Annual Evaluation Plan? Yes <input checked="" type="checkbox"/> Slipped <input type="checkbox"/> Ad Hoc <input type="checkbox"/> Evaluation Plan Submission Date: FY <u>94</u> Q <u>IV</u>	C. Evaluation Timing Interim <input checked="" type="checkbox"/> Final <input type="checkbox"/> Ex Post <input type="checkbox"/> Other <input type="checkbox"/>
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D. Activity or Activities Evaluated (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date of the evaluation report.)

Project No.	Project / Program	First PROAG or Equivalent (FY)	Most Recent PACD (Mo/Yr)	Planned LOP Cost (000)	Amount Obligated to Date (000)
527-0328	PRIVATE COMMERCIAL FAMILY PLANNING	FY 91	AUG. 98	5,000	5,000

ACTIONS

E. Action Decisions Approved By Mission or AID/W Office Director	Name of Officer Responsible for Action	Date Action to be Completed
Action(s) Required		
a) General Management		
- Select and hire project director	General Manager	12.31.94
- Establish short-term goals for project area	General Manager	11.30.94
- Improve external and internal coordinations	APROPO G.M.	11.30.94
- Develop cost accounting system and simplify accounting procedures	APROPO Admin/ Financial Manager	12.31.94
- Develop new management information system	Financial Manager	12.31.94
- Submit 1995 workplan incorporating evaluation recommendations	General Manager	11.30.94
b) Financial Management		
- Rationalize administrative and accounting personnel	Fin.-Ad. Manager	12.31.94
- complete monthly balance sheets within 5 working-days of the end of reporting period	Fin.-Ad. Manager	12.31.94
- Submit advance requests on time, deducting cash on hand	Fin.-Ad. Manager	10.30.94
c) Contraceptive social marketing (CSM) Component		
- Reformulate CSM component and integrate it with mass communication	Marketing Manager	11.30.94
- Promote products within an educational message	Marketing Manager	03.30.95

APPROVALS

F. Date of Mission Or AID/W Office Review Of Evaluation: _____ (Month) _____ (Day) _____ (Year)
 Project Committee review USAID/Peru 10 21 1994

G. Approvals of Evaluation Summary And Action Decisions:

Name (Typed)	Project/Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission Office Director
Signature	Maria A. Borneck	Carola de Luque	Miriam Choy	Paul Sohn
Date	<u>4/17/95</u>	<u>4/17/95</u>	<u>6/8/95</u>	<u>4/24/95</u>

Clearance: D/HPN: SKBrens *[Signature]*

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SUMMARY (Continued)

d) Mass communication component

- Establish clear objectives for mass communications (workplan 95-96)	Communications Manager	11.30.94
- Develop a communication strategy that focuses on achieving specific behavior changes in specific target groups	Communications Manager	11.30.94
- Agree on clear procedures for review and approval of IEC material	Communications Manager & USAID Project Manager	11.30.94

e) Commercial Services Delivery Component

- Cancel the component	Ad-fin Manager & USAID Project Officer	3.30.95
- Write a report on the experience and lessons learned	General Manager	12.31.94

b

ABSTRACT

H. Evaluation Abstract (Do not exceed the space provided)

The project aims at increasing the provision of modern contraceptive methods through commercial channels, in an effort to decrease country dependence on externally-subsidized products and services. The project has three components: contraceptive social marketing, mass communication and commercial services delivery. The project receives the technical assistance of The Futures Group/SOMARC III and the Johns Hopkins University/CCP/PCS.

The mid-term evaluation was conducted at the end of the third year because the first project year was devoted mainly to research and planning. Therefore, actual implementation started in the second year.

The evaluation found interesting achievements in the mass communication component. The implementing agency established an active mass media communication program, including a hotline and street theater with counseling services. Messages and communication campaigns were well designed. This component could not gauge the impact of these activities in terms of behavior changes, however. The main recommendation for this component was to improve the establishment of objectives, use behavior change as an impact evaluation indicator, and integrate communication activities with social marketing activities.

The contraceptive social marketing component was found to be weaker than the mass communication component, since promotion and publicity activities conducted during the previous years appear to have had limited impact on program product sales. This component was not found to be cost-effective. The exception was a new condom brand launched two months previous to the evaluation. Product sales surpassed projections, but at the time of the evaluation it was too early to predict longer-term success. The main recommendation for this component was to reformulate the marketing strategy, using an integrated marketing approach, and providing additional information on modern contraceptives to potential users.

The commercial services delivery component aimed at increasing the provision of family planning services to workers by private enterprises and through insurance companies. This component did not succeed, mainly because the economic crisis in Peru during 1990-93 affected the financial situation of commercial companies. The implementing agency and USAID need to terminate or officially cancel this project component.

The evaluation also found that the implementing agency had weak management systems that affected performance in the technical areas. The main recommendations of the evaluation in this area are to: change the managerial structure by adding a project manager; improve external and internal coordination; rationalize project staff; improve or establish new management information systems and financial systems; and up-date accounting records.

Regarding the technical assistance received from centrally-funded projects, the evaluation recommended considering the possibility of changing the source of assistance for the contraceptive social marketing component; and reducing it for the mass communication component.

The main lesson learned in this project is that when a small organization increases its funding levels and activities substantially, it needs to strengthen its management systems, along with the concomitant strengthening of specific technical expertise.

COSTS

I. Evaluation Costs

1. Evaluation Team		Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. \$)	Source of Funds
Name	Affiliation			
Alan Lambert, M.B.A.	ProSalud-Venezuela	20 days	12,600	Project
Victor Jaramillo, MHA	Consultant	20 days	11,800	Project
Mike Favin, M.P.H.	MANOFF Group Inc.	25 days	17,685	Project
Julio Zavala, M.A.	Consultant	20 days	3,855	Project
	Total	85 PD	45,940	

2. Mission/Office Professional Staff Person-Days (Estimate) <u>15 person day</u>	3. Borrower/Grantee Professional Staff Person-Days (Estimate) <u>40 person-days</u>
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A.I.D. EVALUATION SUMMARY - PART II

SUMMARY

J. Summary of Evaluation Findings - Conclusions and Recommendations (Try not to exceed the three (3) pages provided)

Address the following items:

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| <ul style="list-style-type: none"> ● Purpose of evaluation and methodology used ● Purpose of activity(ies) evaluated ● Findings and conclusions (relate to questions) | <ul style="list-style-type: none"> ● Principal recommendations ● Lessons learned |
|--|--|

Mission or Office
USAID/PERU/HPN

Date This Summary Prepared:
3/13/95

Title And Date Of Full Evaluation Report:
Evaluation of the Commercial Family Planning Project -
October 30, 1994

● Purpose of Evaluation and Methodology Used

The purpose of the evaluation was to determine whether the project can provide a cost-effective means of attaining its objectives and, based on this, to make a "go/no go" recommendation regarding continued USAID funding. In the case of project continuation, the evaluation team was asked to make recommendations to improve project effectiveness, including the identification of any additional technical assistance needs for the implementing agency.

Based on the scope of work and discussions with USAID staff, the evaluation team decided that the most appropriate methodology was a qualitative one that included open-ended interviews with relevant persons, both internal and external to APROPO, and a review of the relevant documentation, including plans, financial and programmatic reports, research summaries, training and educational materials.

● Purpose of the Project Evaluated

The project purpose is to increase the provision of modern contraceptive methods through commercial sector channels. Project objectives and components are the following:

- Contraceptive social marketing component (CSM):
 1. To establish a self-supporting brand of oral contraceptives within the commercial sector.
 2. To expand the market supply by adding other social marketing brands of oral contraceptives.
 3. To establish a self-supporting social marketing brand of condoms.
 4. To pilot test other self-sustaining social marketing products.
- Commercial services delivery component (CSD):
 5. To increase the number of employers and health insurance companies that offer family planning services.
- Mass Communications (MC):
 6. To develop a national family planning communications strategy and coordinate a national communication program.
- 7. A seventh objective, common to all three components, is to establish a strong institution able to carry out commercial family planning programs.

● Findings and Conclusions

Major findings and conclusions by project component:

Contraceptive social marketing component

- Sales of two contraceptive pills (one of which was recently dropped from the program), an injectable, and vaginal tablet promoted by the project were initially good, but have been stagnant for some time. Initial sales of the Piel condom, launched just a few months ago, have been very good, but it is too early to predict its long-term success.
- Stagnant sales indicate that product promotion efforts have not been effective.
- There is no integration among the various media used for product promotion. They lack a common theme to create public awareness that each forms part of the same program.
- The program's brochures do not contain sufficient information to attract new users.
- The annual costs for providing one couple year of protection were \$ 6.74, 9.00, and 6.94 from September 1, 1991 to May 31, 1994, showing that the program is not cost-effective.

Mass communication component

APROPO, the implementing agency, has established a very active communication program that includes a regular presence in mass media, street theater with personal counseling, a telephone hotline, and other related activities.

Some of the major strengths are:

- The experienced and committed staff who carry out the activities.
- Many individual activities, such as the radio spots and the counseling service, seem very well done.
- APROPO's efforts have brought the themes of sexuality, human reproduction, and family planning into the mass media, public forums, and popular consciousness.
- APROPO has arranged a great deal of free TV and radio time for its programs and messages.
- APROPO has made some progress in coordinating efforts with the Ministry of Health, the Social Security Institute and PVOs.

Some problems or weaknesses in this component are:

- APROPO (and its technical advisor, JHU/PCS) has been unable to gauge the actual impact of its many activities on increasing the number of new users of modern contraceptive methods or improving the continuation rates of users.
- APROPO's communication activities have been too oriented to communication objectives rather than behavioral ones.
- Communication activities have been poorly integrated with the contraceptive social marketing component and therefore have lost opportunities for mutual support.

Commercial services delivery component

○ The CSD component never got off the ground, due to the adverse economic conditions in Peru, and has been discontinued. It has not, however, been officially canceled.

Project management and organization.

The main weaknesses are the following:

- APROPO has a traditional managerial structure. A general assembly of affiliated members meets annually and elects the Board of Directors. Although the board meets regularly and some financial and statistical information is provided to members, this information is limited and does not provide a clear picture of the project's problems and how activities are related to goals.
- APROPO has an energetic staff of 38 people under a General Manager. There has been a high staff turnover, however, and most senior staff are new.
- Stronger leadership from the General Manager and mechanisms to ensure cooperation among the different areas are needed to improve the operation of APROPO and the project.
- Staff do not have a clear concept of the goal and objectives of APROPO and of each project component. This limits the contribution of each unit to the project's common goal and objectives.
- Administrative systems are not clear, as they are based on many management procedures and policies dispersed in minutes, correspondence and memos.
- There is little coordination and cooperation among the different areas and project, indicating a continuing need for a stronger internal coordinating mechanism.

Financial management

- The project has spent 62 percent of its total budget by the close of its third year, equal to 95 percent of planned expenditures for the period. Nonetheless, many important budget modifications have taken place that require a revision of the original budget.
- The generation of funds leading toward progressive self-financing has been below expected levels. Cost monitoring has not taken place.
- A recent project audit found that the financial management was generally acceptable, with accounts providing a reasonable picture of the financial situation. The main problem noted was that USAID considered some expenses ineligible for reimbursement according to the cooperative agreement and USAID regulations. The audit identified some procedures and delays in monthly reconciliations that are in the process of being corrected.
- Most budget advances from USAID have been on schedule, despite APROPO's delays in submitting its requests and USAID's Controller having to reduce budget requests because of earlier unapproved expenditures.

● **Principal Recommendations by Project Component**

The main recommendations are the following:

a) General Management

- select and hire a Project Director; the General Manager will be responsible for external representation, including seeking out additional funding sources
- establish short-term goals and objectives for the various project areas
- improve internal and external coordination
- develop a cost-accounting system and simplify administrative procedures
- develop a new management information system
- monitor project progress towards its objectives, including cost-effectiveness indicators
- submit 1995 workplan by October 30, 1994

b) Financial Management

- rationalize administrative and accounting personnel
- complete monthly account balances within 5 working days of the end of the reporting period
- submit requests for advances and balance of funds from previous months on schedule, deducting cash on hand

c) Contraceptive Social Marketing

- reformulate the CSM component and integrate it with mass communication activities in a way that is mutually supportive (workplan 95-96)
- promote products within the context of an educational message that includes the following details: (1) communicate a theme that links the various components; (2) integrate the various mass media; (3) create a new dispenser for the brochures on which the name APROPO is more pronounced; (4) develop a slogan; (5) consistently use the logo; and (6) create new brochures with more information and improved presentation

d) Mass Communications

- establish and maintain clear objectives for mass communication (workplan 95-96)
- develop a communication strategy for 1995 that focuses on achieving specific behavior changes in specific target groups
- agree on clear procedures for review and approval of materials

e) Commercial Services Delivery

- cancel the component
- write a report on this experience with lessons learned

ATTACHMENTS

K. Attachments (List attachments submitted with this Evaluation summary: always attach copy of full evaluation report, even if one was submitted earlier; attach studies, surveys, etc., from "on-going" evaluation, if relevant to the evaluation report.)

Full evaluation report

COMMENTS

L. Comments By Mission, AID/W Office and Borrower/Grantee On Full Report

- Comments by HPN Office:

This evaluation zeroed in on weaknesses in project management, virtually all of which had previously been detected by the HPN Office. During the first three years of project implementation, the cooperating agency has demonstrated commitment, dynamism and creativity. However, despite these positive aspects, the HPN Office has consistently identified and worked to correct weaknesses in project planning, financial management and lack of internal leadership from the General Manager. At the time of the evaluation, for instance, a new financial and administrative manager was in the process of being hired to help strengthen these two areas.

The HPN Office considers that the analysis of the social marketing component was limited. The evaluation concluded that contraceptives sales were stagnant. This is partially true: Of the four products, sales of the two brands of pills did not increase during the last year. Nonetheless, sales of the other two products increased: the Depo-Provera injectable increased by 25 percent and the Lorophyn vaginal tablet by 10 percent. More importantly, the evaluation did not mention that through sales of these four products, the project received more than US\$200,000 in fees from participating laboratories. This income was used to cover most of the administrative costs of the cooperating agency. Additionally, the evaluation underestimated the negative effect that external factors may have had on the demand for contraceptive products within the commercial sector; these include a weak economic situation and a decrease in the prevalence of pills in favor of such methods as the IUD and injectables.

USAID and the cooperating agency have accepted most recommendations, with the exception of the recommendation to change the source of technical assistance in social marketing. The scope of work of this technical assistance, however, will be reformulated by HPN and the cooperating agency. With regard to other major recommendations, corrective measures will be monitored on a monthly basis.

- Comments by APROPO

APROPO considers the report a constructive instrument to increase the performance of the Commercial Family Planning Project, despite its lack of an integrated approach.

Communications. It has a strategy based on audience studies and follows a methodology to assure that the beneficiaries of project activities be sensitized to the media campaigns, obtain knowledge and change as required for the adoption of family planning methods.

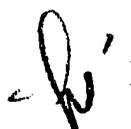
Social Marketing Component. This shouldn't be the only component of the project. IEC activities are crucial in creating a culture, hence facilitating the adoption of family planning methods. SOMARC should be kept as technical assistance. The Social Marketing Component have been efficient. It has incorporated four private companies that produce four commercial contraceptives in social marketing philosophy. Likewise SOMARC has helped to establish a condom plan which already has started, adding financial resources to the project.

Research shouldn't be only part of the communication component since it also serves the social marketing component and does the monitoring and evaluation of all the project activities.

Management. Actions are being taken to assure that the management system works in accordance to APROPO's new challenges. A project Director, cost-accounting system, revision of institution's structure and function, personnel policy are being implemented.

Despite Peru's economic crisis, the increase of funding levels and of activities of APROPO, the Commercial Family Planning Project is in the right track to achieve its objectives. The problems identified by the Evaluation Team had also been identified by APROPO and USAID and we were working on them.

APROPO is concerned with assuring that the main project activities continue after project lifetime.



XD-ABL-664-A
1st 9/6/94

**EVALUATION OF
USAID/PERU PROJECT NO. 527-0326**

**PRIVATE COMMERCIAL
FAMILY PLANNING PROJECT**

IMPLEMENTING AGENCY: APROPO

August 1-August 19, 1994

BY

**Alan Lambert, M.B.A., M.H.S.
Michael N. Favin, M.P.H.
Victor M. Jaramillo, M.H.A., Ph.D.
Julio Zavala R., M.A.**

October 1994

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ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
APROPO	Apopyo a Programas de Población
CSM	Contraceptive Social Marketing (component)
CSD	Commercial Services Delivery (component)
CYP	Couple Years of Protection
DHS	Demographic and Health Survey
G&A	General and Administrative (expenses)
HIV	Human Immunosuppressant Virus
ICPD	International Conference on Population and Development
IMS	An industry-supported compilation of pharmaceutical sales
INOPAL	Family planning operations research project
IPSS	Peruvian Social Security Institute
JHU/PCS	Johns Hopkins University/Population Communication Service
KAP	Knowledge, Attitudes, and Practices
MC	Mass Communication (component)
MOH	Ministry of Health
NGO	Non-Governmental Organization
OC	Oral Contraceptive(s)
SES	Socio-Economic Status
SM	Social Marketing
SMC	Social Marketing of Contraceptives
STD	Sexually Transmitted Disease
USAID	U.S. Agency for International Development

EXECUTIVE SUMMARY

The Private Commercial Family Planning Project (527-0326) is a five-year USAID-funded project that started in September 1991. The implementing agency is Apoyo a Programas de Población (APROPO), a Peruvian PVO founded in 1983 and devoted to educational and communication activities concerning family planning and population. This project follows another USAID-funded project implemented by APROPO from 1985 to 1990.

The project purpose is to **increase the provision of modern contraceptive methods through commercial sector channels**. Project objectives are:

1. To establish a self-supporting brand of oral contraceptives within the commercial sector
2. To expand the market supply by adding other social marketing brands of oral contraceptives.
3. To establish a self-supporting social marketing brand of condoms.
4. To pilot test other self-sustaining social marketing products.
5. To increase the number of employers and health insurance companies that offer family planning services.
6. To develop a national family planning communications strategy and coordinate a national communications program.
7. To establish a strong institution able to carry out commercial family planning programs.

The objectives of the project's three components are the following:

- **Contraceptive Social Marketing (CSM):** to increase the availability of affordable contraceptives in commercial retail outlets through market research, audience analysis, brand advertising and promotion of contraceptive products supplied by local manufacturers and training of pharmacy clerks.
- **Commercial Services Delivery (CSD):** to broaden the financial base for family planning services through the increased participation of the private sector (mainly employers and insurance companies) in the provision of services.
- **(Mass) Communications (MC):** to implement a massive education and communications program to support brand advertising and improve the knowledge of the population about modern family planning methods.

To strengthen the technical capabilities of APROPO to implement the three components, the Mission requested, through buy-ins, the technical assistance of The Futures Group/SOMARC for the CSM component, John Hopkins University/PCS for the MC component, as well as the services of a private consultant knowledgeable in the marketing of health and family planning services for the CSD component.

The purpose of this mid-project evaluation is to "demonstrate whether the Project can provide a cost-effective means of attaining its objectives and .. [to] recommend a go or no-go decision regarding continued project implementation " (Scope of Work)

Major questions to be answered by the evaluation team were the following:

- Is the project design appropriate?
- Are the three components attaining their objectives?
- What internal and external factors are influencing project performance?
- Are project monitoring and evaluation indicators appropriate?
- Is the project using the most cost-effective means to attain its objectives?
- How effective are the organization and management of APROPO and the project in supporting achievement of project objectives?
- How helpful has technical assistance been?
- How supportive has USAID/Peru been?
- What are the project's major strengths and weaknesses?
- How can the project be improved in all of the above areas?

A four-person team worked in Peru from August 1-19, 1994 to try to answer these questions. Their major findings are summarized in the next several pages, and their more detailed findings and recommendations are found in the following chapters.

Contraceptive Social Marketing (CSM) Component

Major Findings

Overall, APROPO's efforts in this component have been disappointing. Sales of APROPO's two contraceptive pills (one of which was recently dropped from the program), an injectable, and vaginal tablets were initially good but have been stagnant for some time. Initial sales of the condom *Piel*, launched just a few months ago, have been very good, but it is too early to predict its long-term success.

While it is acknowledged that the project has functioned during difficult political and economic times in Peru, the design of the CSM component should nonetheless have resulted in a more successful program. The project's failure has been in its execution rather than in its design.

Despite the fact that there is a considerable market for CSM products, most of the objectives and related outcomes of the CSM program identified in project documents have been only partially attained. Without major reforms in the component, there is no indication that these objectives will be fully reached during the two remaining years of the contract.

- Stagnant product sales indicate that product promotion efforts have not been effective.
- There is no integration among the various media used for product promotion, i.e. TV ads, brochures and displays. They lack a common theme that creates public awareness that each forms a part of the same program.
- The program's brochures do not contain sufficient information to attract new users.

Despite its investment of millions of dollars, USAID/Peru remains uncertain that APROPO is able to attain the project objectives set out for it.

The annual program costs for providing one CYP were \$6.74, \$9.00, and \$ 6.94 from September 1, 1991 to May 31, 1994, clearly showing that the program is not cost effective. Expenses are not producing the desired results (higher sales), nor does APROPO seem able to adjust its indirect costs to sales activity. APROPO is not sensitive to the importance of reducing CYP costs and is content to pursue its activities in the normal and usual manner.

The technical advisor SOMARC, either by its own choice, USAID insistence, and/or the lack of CSM capabilities of APROPO, has assumed the responsibility for management decision making. As a consequence, decisions are not made by those who are responsible for the success of the activity. The CSM Manager perceives the SOMARC representative to be her immediate supervisor, even though he is external to APROPO and not even based in Peru.

The CSM component is understaffed with a resulting over-reliance mass media and point of purchase activities to stimulate demand. The entire CSM component is implemented by one manager, one sex educator, one trainer, one promoter of condoms, and one secretary. The CSM

Manager requires additional training in family planning concepts, social marketing strategies, and general business practices

Planning, understood to be the commitment of resources to achieve desired outcomes, seems to be nonexistent. Market projections are based more on external events, such as the increase in the number of women of reproductive age and the general contraceptive prevalence trend, than on the relationship between program inputs and the number of potential users.

SOMARC's technical assistance is dictated as much by its own abilities to assist as by the needs of the program. SOMARC has based its decisions on a model that has not been successful in an Andean setting. The CSM Manager feels that needed support and/or approvals are frequently delayed.

APROPO's recent contract with SOMARC regarding the promotion of condoms has resulted in confusion within APROPO. SOMARC feels that it provides technical assistance for the CSM products other than condoms, and it has a co-operative agreement regarding the condom activity. In other words, SOMARC perceives two very distinct roles -- to approve all activities regarding condom sales and to merely offer advice on other activities.

Some external factors, such as the improving economic situation in Peru, the well-developed commercial infrastructure, and widespread attitudes favorable to fertility control, should facilitate the achievement of component objectives.

Neither the General Manager nor the CSM staff of APROPO understand how CSM programs must function if they are to be successful. The necessary integration of commercial activity, mass media communication and family planning has not been recognized nor pursued. If the major recommendations presented below are NOT implemented, this program will not be able to reach self-sufficiency.

Recommendations

If USAID/Peru and APROPO agree to implement the majority of the evaluation team's recommendations, a four-month time frame should be developed to incorporate these changes. If APROPO does not implement the majority of the recommendations, it is recommended that USAID cease funding the CSM component. Additional recommendations follow.

- The CSM component of the program should be reformulated by USAID/Peru and APROPO to incorporate the recommendations made in this report. They should agree to project milestones and formally monitor them. Early in 1995, USAID/Peru should make a decision regarding continued funding of this component.
- APROPO should remain the implementing agency for the project. The team considered possible alternatives to APROPO to manage the CSM component, including another NGO or private sector distributor, but none offered clear

advantages over the current institution. The team felt that APROPO's staff is committed and capable of carrying out this program under better organization and management

- All of the USAID-funded activities of the CSM and MC components (excluding PL 480) should be coordinated and mutually supportive. Individual mass media activities may or may not include reference to specific product(s), but they should indeed enhance the image of APROPO.
- The program should (1) communicate a theme that links its various program components; (2) integrate the various mass media, i.e. TV ads, brochures and displays; (3) create a new dispenser for the brochures on which the name APROPO is more pronounced; (4) develop a slogan, which will help establish institutional identity; (5) consistently use its logo to help consumers identify the program's products; and (6) create new brochures that are larger, more colorful, contain drawings and use a higher quality of paper and that present, in an accessible format, more of the information that women want and need.
- The program should promote reproductive health, instead of family planning, and include "avoiders" (women or couples who want to avoid pregnancy completely for the time being) in the target population.
- The program should promote its products within the context of promoting its theme or within the context of an educational message.
- The project should monitor: (1) implementation of the agreed-upon changes resulting from this evaluation, and (2) project progress towards its objectives.
- The team found that SOMARC's assistance has often been neither very timely nor helpful. USAID/Peru and APROPO should mutually decide whether SOMARC should continue as the source of technical assistance for the CSM component. The team's CSM specialist feels that APROPO should identify a new source of technical assistance for the CSM component.

Mass Communication (MC) Component

The intent of APROPO's mass communication activities is to improve the climate for family planning in Peru and to promote increased use of modern family planning methods (and purchase of APROPO's own social marketing products). It was planned that APROPO would coordinate with other public health and family planning groups in convening a national conference on family planning communication and in planning a national mass media campaign in support of family planning.

Major Findings

APROPO has established a very active communication program that includes a regular

presence in mass media (TV, radio, newspapers, and magazines), national mass media campaigns (the second "los tromes" campaign is about to begin), street theater with face-to-face counseling, a telephone hotline, development of family planning education materials for CARE, and training of family planning promoters.

Some of the major strengths or achievements of these activities are.

- The experienced and committed staff who carry them out.
- Many individual activities, such as the radio infospots and the counseling service, seem very well done.
- APROPO's efforts have brought the themes of sexuality, human reproduction, and family planning into the mass media, public forums, and popular consciousness. These are now common themes for people to read and hear about and see. They are much less taboo than they were a few years ago.
- APROPO has arranged for a great deal of free TV and radio time for its programs and messages. The mass media are becoming more and more open to giving free coverage to these and other topics of social interest.
- APROPO has made some progress in coordinating efforts with the MOH and IPSS, as well as a few NGOs (but much remains to be done).

Some problems or weaknesses in this component are the following:

- APROPO (and its technical advisor, JHU/PCS) has been unable to gauge the actual impact of its many activities on increasing the number of new users of modern contraceptive methods and on improving the continuation rates of persons who initiate temporary modern methods.
- Objectives for the communication activities have never been clearly stated and then maintained consistently.
- Although well done in some ways, APROPO's communication strategies have been too oriented to communication objectives rather than behavioral ones.
- Communication activities have been poorly integrated with APROPO's social marketing activities and therefore have lost opportunities for mutual support.
- The efficiency of planning and implementation has been affected by weaknesses in APROPO's managerial systems (e.g., the lack of clear, updated budget information).
- Delays and bad feelings have occurred because of the lack of clearly defined roles

and procedures for review, advice, and approval by USAID and JHU/PCS

Recommendations

- USAID and APROPO should establish and maintain clear objectives for mass communication.
- The communication strategy for 1995 should focus on achieving specific behavior changes specific target groups by defining activities to overcome the resistances (obstacles) to adaption of those desirable practices.
- No changes in staffing the unit are recommended at present, except moving a full or part-time research specialist into the unit.
- In the interest of improving the cost-efficiency of its activities, APROPO should limit street theater performances to large audiences (200+); continue to pursue attempts with IPSS to support the family planning hotline; and carefully evaluate the family planning promoters before expansion.
- APROPO should establish a family planning "news service" to stimulate and facilitate media coverage of the topic.
- Clear procedures for review and approval of communication materials should be agreed upon and followed by APROPO, USAID, and JHU/PCS.
- Monitoring and evaluation methods should continue to be simplified and made more operational and the amount of data measured should be reduced.
- Technical assistance from JHU/PCS should continue to support mass communication but at a reduced level.

Project Management and Organization

APROPO has a traditional managerial structure. A General Assembly of Affiliated Members (Asociados) meets annually and elects a Board of Directors. Although the Board meets regularly and financial and statistical information is provided to members, they have little understanding of the project's problems or of how activities are related to goals.

APROPO has an energetic staff of 38 people under a General Manager. There has been a high staff turnover, and most senior staff are new. A new Financial and Administrative Manager has just been hired to manage the accounting (financial) and administrative areas, up to now separate areas under administrative and accounting assistants.

Stronger leadership from the General Manager and mechanisms to ensure cooperation among the different areas are needed to improve the operation of APROPO and the project. The

General Manager, although very active, delegates too many decisions, thereby not providing the institution with needed supervision (in planning, goal setting, training, monitoring and control). She devotes most of her time to urgent and housekeeping activities and probably not enough to important activities to strengthen the institution and to ensure its sustainability.

Staff do not have a clear conception of the goal and objectives of APROPO and of each project component. This limits the contribution of each unit to the project's common goal and objectives. Staff appear to be carrying out many activities that do not make a clear contribution to APROPO's common goals.

The original project paper and contract had a clear and very detailed planning for many areas. Activities in the execution of the project have deviated from the initial plan, affecting the development of the project, its management and financial structure.

Administrative systems are not clear as they are based on many management procedures and policies dispersed in minutes, correspondence and memos.

There is no personnel department, and personnel policies that have developed over the years are dispersed in many documents and files. A draft personnel policy has been developed but not approved or implemented. No clear or updated job descriptions are available. There is no clear payroll information, due to the many types of contracts and funding sources.

The financial area seems to be overstaffed and not very efficient. Four employees handle APROPO's accounting, where fewer than 20 vouchers are processed daily. Financial and accounting records are ready two months late, although monthly reports are presented to the Board. Cash management and cash flow estimates need improvement in order to allow and efficient cash flow and the provision of accurate data for project planning and USAID reporting requirements. Cost accounting procedures and reports must be established if a self-supporting organization is to be developed. Up to now, little attention has been given to cost considerations or cost efficiency in project activities.

The CSD component never got off the ground, due to the adverse economic conditions in Peru, and has been discontinued. It has not, however, been officially canceled, so APROPO's financial reports still include CSD cost and accounting expenses, a practice that affects the distribution of costs and cost indicators.

There is no list of the reports produced by APROPO nor guidelines on who is responsible for the preparation of various reports, when reports should be produced, or who should get them. Many reports are prepared by the different areas of APROPO, but the information is seldom analyzed or utilized for managerial decision making and planning.

APROPO has developed a coordinating committee to plan activities, but meetings are very informal, without a clear definition of purpose, agenda, minutes or system to record or follow up decisions. There is little coordination and cooperation among the different areas and projects, indicating a continuing need for a stronger internal coordinating mechanism.

External to APROPO, three additional actors play important roles in the development of the Private Commercial Family Planning Project: USAID, SOMARC and JHU/PCS. APROPO claims that even small details of the project must be approved by USAID and the technical assistance organizations, SOMARC for CSM and JHU/PCS for MC. Coordinating and approval mechanisms are not clear and because of this, procedures take too long to complete.

Recommendations

Separate recommendations are given for general management of APROPO and for management of the USAID project.

GENERAL MANAGEMENT OF APROPO

Goals, objectives, and structure of APROPO. The Board and General Manager should provide a clear definition of the goals and objectives of APROPO and the project and how they interrelate. The Board and General Manager should define the structure of APROPO, and the units areas and their roles in contributing to the goals of the project and of APROPO. This structure should be explained at all levels but mainly at the executive staff level, to ensure a clear understanding and acceptance. The General Manager should prepare a draft proposal for the Board, including clear goals and objectives of APROPO and the required structure, before the end of October 1994. The new structure should be in operation by January 1995.

Supervision/Monitoring. The General Manager must improve supervision (in the modern sense, to include planning, education and personnel development, evaluation, monitoring and control of activities). Short-term goals and objectives for the different areas of APROPO should be established and then tracked in monthly and quarterly monitoring reports. Goals, objectives, and the reporting and monitoring plan should developed by the General Manager before the end of November 1994.

Internal and external coordination. The General Manager should develop formal procedures for the coordinating committee, including the development of an agenda, minutes and follow-up mechanisms. These should be implemented immediately. A plan to reinforce the external coordination efforts of APROPO should be developed by the General Manager and presented to the Board of Directors and USAID before the end of 1994.

Research Before the end of September 1994, the MC Manager should develop and present to the General Manager a clear job description for the researcher, with a work plan to cover her activities for 1995. Monthly reports on research activities and quarterly evaluations of research, as reported monthly by the MC Manager, will determine the need and continuation of this position.

Financial Manager The General Manager should immediately review or develop job descriptions for the new positions of Administrative and Financial Manager and Deputy Director. During a trial period, the Financial and Administrative Manager should coordinate and supervise the accounting and administrative areas, while the present administrator and accountant continue to work in each of these areas for a trial period of no more than three months.

Personnel Management Clear responsibility for personnel matters (without additional personnel) should be established. The Financial and Administrative Manager, during his first quarter of operation, should present to the General Manager and Board of Directors a draft on the functions and operation of the personnel office and job description and job requirements for every position in APROPO. APROPO's staffing requirements should be determined, based on the project contract, organizational structure, procedures and job descriptions. The General Manager and Board of Directors should determine the staffing requirements of APROPO by the end of 1994.

Cost accounting and administrative procedures The Financial and Administrative Manager should prepare, by the end of the first quarter of 1995, a proposal for a cost-accounting system and formal policy manual covering administrative and financial procedures, collecting all information available in minutes, correspondence and memos. The proposal should be presented to the General Manager, and a manual on financial and administrative procedures should be in operation by June 1995.

Management information system A management information system should be developed by the new Financial and Administrative Manager in coordination with the General Manager and the senior staff. The identification of management information needs at the different levels should be completed by the Financial and Administrative Manager by the end of October 1994, and an MIS should be in operation by the end of 1994.

PROJECT MANAGEMENT

Board of Directors To ensure more active participation in the project by the Board of Directors, the Board should discuss and approve any changes to APROPO's cooperative agreement with USAID. For monitoring purposes and to ensure accountability of the General Manager to Board, the Board should also approve quarterly reports. Mechanisms such as newsletters and meetings could ensure that Board members and others receive regular and periodic information.

Project workplan and budget The General Manager should develop a very detailed workplan for 1995 and a less detailed plan for 1996. The workplan, including a proposed budget, should be presented to USAID before the end of October 1994. It should be approved by the end of 1994,

and probably a new cooperative agreement or contract should be signed. The advantages of a contract as opposed to a cooperative agreement should be considered.

Technical assistance coordination. The General Manager should develop a proposal for clear and functional procedures to coordinate activities of APROPO with USAID and with consultants such as SOMARC, Hopkins or any other agencies that APROPO considers necessary. This proposal should be presented to USAID before the end of October 1994. Based on this proposal, procedures should be developed with the agreement of all relevant institutions and a document signed before the end of 1994.

Deputy Director. A Deputy Director should be employed to strengthen the organization and support the General Manager. The number-two person should be very experienced in management and have a clear understanding of marketing and communications. The person should have a "strong" personality and be observedly business-like and competent. The General Manager should prepare a job description and qualifications and present them to the Board and USAID before the end of September 1994.

Project management/monitoring. For monitoring purposes, all workplans developed by APROPO and reviewed and approved by USAID should include short-term goals and benchmarks for monthly and quarterly periods, and monitoring should take place immediately at the end of the period considered. The General Manager should have a monitoring system in place before the end of 1994, and APROPO and USAID should monitor and supervise APROPO and project activities monthly and quarterly beginning in January 1995.

CSD component. A clear definition of the situation of the CSD component, its effect on the project's budget, on the managerial and accounting structure, and on the organizational chart should be made, mainly at the executive staff level, to ensure that USAID procedures are followed and that both USAID and APROPO have a clear understanding and acceptance of the situation. CSD funds should be used for other project activities, as reflected in the new workplan and budget. The General Manager should present a proposal to USAID before the end of September 1994, and USAID should make its decision before the end of 1994, if possible.

Personnel policies. The General Manager should review the proposed personnel policy with USAID (as remuneration and incentives are involved) and present it to the Board of Directors of APROPO before the end of November of 1994. A new personnel management policy, which should consider causes of turnover and corrective action, should be instituted before the end of 1994.

Financial Management

General Findings

The project had spent 62% of its total budget by the close of its third year, equal to 95% of planned expenditures for the period. Nonetheless, many important budget modifications have taken place which require a considerable revision of the original budget.

The CSM objective of increasing the provision of modern contraceptives has been partially achieved, although sales have not reached target levels. The generation of funds, leading toward progressive self-financing, has been disappointing. Cost monitoring has not taken place.

A recent project audit found that financial management was generally acceptable, with accounts providing a reasonable picture of the financial situation. The main problem noted was that USAID considered some expenses ineligible for reimbursement according to the cooperative agreement and USAID regulations. The audit identified some procedures and delays in monthly reconciliations that are in the process of being corrected. Budget advances from USAID have been on schedule, despite APROPO's delays in submitting its requests and USAID's Comptroller having to reduce budget requests because of earlier unapproved expenditures.

Recommendations

APROPO's new financial and administrative officer should establish a new accounting system, rationalize the administrative and accounting personnel, and produce timely monthly financial statements that managers can use for planning and decision making. More specifically, APROPO should:

- Revise the project budget to reflect changes that have already taken place as well as new changes that result from implementation of recommendations from this evaluation. This should be completed within 90 days by the new financial and administrative officer, with support from the other managers.
- Obtain commitments outside of USAID to provide additional funds for discretionary spending. APROPO should solicit funds from Associated Members to cover expenses not eligible for reimbursement.
- Institute new accounting procedures that will give costs for products and avoid the reentry of data in order to classify costs.
- Complete monthly account balancing within five business days of the end of the previous month. Prepare these balance sheets as an instrument for follow-up, not merely because they are required.
- Complete implementation of the pending recommendations of the auditors.
- Make a schedule for meeting payment obligations to avoid ineligible expenses. Establish priorities for the monthly cash flow.
- Submit advance requests and balances of the previous month's funds to USAID on schedule, deducting cash on hand.

- **Remove the function of cashier from the same person responsible for authorizing payments.**
- **Arrange for USAID to train the new financial and administrative officer as soon as possible in its procedures and administrative and accounting policies.**
- **Rationalize administrative and accounting personnel within 90 days.**
- **Establish mechanisms for program managers to have access to up-to-date accounting information.**

Chapter 1: INTRODUCTION

The Private Commercial Family Planning Project (527-0326) is a five-year USAID-funded project that started in September 1991. The implementing agency is Apoyo a Programas de Población (APROPO), a Peruvian PVO founded in 1983 and devoted to educational and communication activities concerning family planning and population. This project follows another USAID-funded project implemented by APROPO from 1985 to 1990.

The project purpose is to **increase the provision of modern contraceptive methods through commercial sector channels**. Project objectives are:

1. To establish a self-supporting brand of oral contraceptives within the commercial sector.
2. To expand the market supply by adding other social marketing brands of oral contraceptives.
3. To establish a self-supporting social marketing brand of condoms.
4. To pilot test other self-sustaining social marketing products.
5. To increase the number of employers and health insurance companies that offer family planning services.
6. To develop a national family planning communications strategy and coordinate a national communications program.
7. To establish a strong institution able to carry out commercial family planning programs.

The objectives of the project's three components are the following:

- **Contraceptive Social Marketing (CSM):** to increase the availability of affordable contraceptives in commercial retail outlets through market research, audience analysis, brand advertising and promotion of contraceptive products supplied by local manufacturers and training of pharmacy clerks.
- **Commercial Services Delivery (CSD):** to broaden the financial base for family planning services through the increased participation of the private sector (mainly employers and insurance companies) in the provision of services.
- **(Mass) Communications (MC):** to implement a massive education and communications program to support brand advertising and improve the knowledge of the population about modern family planning methods.

To strengthen the technical capabilities of APROPO to implement the three components, the Mission requested, through buy-ins, the technical assistance of The Futures Group/SOMARC for the CSM component, John Hopkins University/PCS for the MC component, as well as the services of a private consultant knowledgeable in the marketing of health and family planning services for the CSD component.

1.1 Purposes of the Evaluation

The Project Paper (page 55) recommended two external evaluations, both focussing on project impact. Project impact is understood as the achievement of the project purpose, which, in this project, is to increase the provision of modern contraceptive methods through commercial sector channels.

This evaluation, the first of these external evaluations, was completed at the end of the third of five planned years of implementation. USAID/Peru directed that the evaluation team judge whether or not the project can provide a cost-effective means of attaining its objectives and to make a "go or no-go" recommendation regarding continued USAID funding. Furthermore, the team was asked to make recommendations for improving project effectiveness, including the identification of any additional technical assistance needs for the implementing agency.

1.2 Focus and Objectives of the Evaluation

While the evaluation assessed all of the components of both the program and the implementing agency (APROPO), USAID/Peru emphasized the identification of "bottlenecks" or problems and to the specific recommendations necessary to solve them. Accordingly, the specific evaluation objectives were:

- To assess whether the project design is realizable through the configuration;
- To assess whether the project is attaining its objectives and desired impact through its three components.
- To identify the positive and negative factors, external or internal to the project or APROPO, that are influencing project performance by component.
- To assess the appropriateness of the project indicators used by USAID/Peru and APROPO to monitor and evaluate performance.
- To determine if the project is using cost-effective means to attain its objectives and if different cost alternatives for project strategies and activities have been considered.
- To assess the extent to which the organization and management of the project and of APROPO are facilitating the achievement of project objectives.

- To assess the manner in which technical assistance has been provided to APROPO and its usefulness
- To assess the need for further clarification of the procedures for authorizations by USAID/Peru and the timeliness of advances.
- To assess the project's major strengths and weaknesses
- To make recommendations concerning the project's continuation, design, objectives, management, monitoring and evaluation, strategies by component, support by USAID/Peru, compliance with USAID/Peru regulations, technical assistance, and other aspects as proposed by the evaluation team.

In the team's initial briefing, USAID/Peru expressed its particular interest in the project's progress towards financial sustainability, the team's consideration of an alternative implementing agency, and the impact of USAID/Peru management on project performance. Specific questions asked included:

- What is APROPO's ability to progressively cover its administrative (indirect) costs through income from the project components?
- Would the program function better with another implementing agency?
- What is the impact of USAID/Peru, both positive and negative, on the project?

1.3 Methodology of the Evaluation

Based on USAID/Peru's scope of work and the team's discussions with USAID staff, it was decided that the most appropriate evaluation methodology was a qualitative one that included open-ended interviews with relevant persons, both internal and external to APROPO; and a review of the relevant documentation, including plans, reports, research summaries, training and educational materials, and financial documents.

1.4 Overall Evaluation Strategy and Procedures

The tasks were divided among the four team members in accordance with their specialties. While working on their tasks independently, each followed the points raised in the Focus and Objectives of the Evaluation, as appropriate to their area of work.

- The social marketing specialist, Mr. Alan Lambert, evaluated the Contraceptive Social Marketing (CSM) component of the project. He also served as Team Leader.
- The communications specialist, Mr. Michael Favin, evaluated the Mass

- Communications (MC) component of the project**
- **The specialist in the design, management and evaluation of health and family planning programs, Mr. Victor Jaramillo, evaluated the CSD (Commercial Service Delivery) component, which has for all practical purposes has ceased to function, as well as APROPO's organization, managerial procedures, and internal functioning.**
 - **The financial management specialist, Mr. Julio Zavala, assessed the financial aspects of the project and APROPO.**

Their respective reports are found in the following four chapters.

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2.1 PROJECT DESIGN

While it is acknowledged that the project has functioned during difficult political and economic times in Peru, the design of the CSM component should nonetheless have resulted in a successful program. Accordingly, any program shortcomings were not caused by poor design. The project's shortcomings have been caused by its execution rather than its design.

Individual and joint actions of the actors (APROPO, SOMARC, USAID/Peru) have interfered with the proper execution of the program design. The majority of the design considerations need not be changed in any attempt to revitalize the program so that it fully reaches its objectives.

2.2 ATTAINMENT OF COMPONENT OBJECTIVES

The project purpose is to increase the provision of modern contraceptive methods through commercial sector channels.

Despite the fact that there is a considerable potential market for CSM products, most of the objectives and related outcomes of the CSM program have been only partially attained. At this time, there is no indication that they will be fully met during the two remaining years of the contract.

While the objectives themselves are normal for CSM programs in the Andean region, the implementing agency's actions to date have been inadequate. The outcomes to date related to the objectives (taken from the Project Paper, pp. 26-27) were as follows:

2.2.1 To establish a self-supporting brand of OCs

The income received from sales of both brands of OCs has been less than the promotion costs for these brands.

Current sales of the remaining OC brand in the program are stagnant. There is no indication that levels will reach the volume required to make a substantial financial contribution to cover APROPO's expenses. (See Annex, Chart I).

2.2.2 To expand the market supply of OCs

The program was able to attract the Nordette brand of OCs to participate in CSM. The recent announcement by Wyeth's representative that the company will discontinue participation in the program with Nordette and the unsuitability of other manufacturers will make this objective very difficult to reach in the short term.

2.2.3 To establish self-supporting SM brand condom

Because this activity has just begun, it is too early to determine long-term consumer demand for this product.

Sales are being made through only one wholesaler, which may limit coverage.

The price set for the product did not consider APROPO's operating costs and may be insufficient to permit self-support.

2.2.4 To test other self-sustaining SM products

The program was able to attract participation of both an injectable and a vaginal tablet. Additionally, it is considering the direct importation and sale of an IUD.

2.2.5 Pilot test new CSM products

All contraceptives promoted by the project were available in the market before this project. The only "new" product is the *Piel* brand of condoms.

2.2.6 To achieve a significant level of operational cost recovery

Cost recovery is driven by two factors: (1) high sales volume, and (2) a low cost per CYP provided. At present, such income is stagnating if not decreasing.

In addition to stagnant sales, CYP costs are quite high, averaging \$7.60 for the period September 1, 1991 to July 31, 1994. (See Chart II.)

2.2.7 Reduce myths and rumors (address the general lack of information)

The stagnant sales indicate no significant changes in the pattern, reported in DHS, of discontinuation of pill use nor in the program's ability to attract new users.

Levels of understanding regarding OCs have remained constant during the three last years.

The program's brochures do not provide sufficient information to generate an improvement in knowledge about OCs.

2.2.8 Target efforts to moderate and lower-income women and men who wish to limit or space their children

The program's direct promotion of contraceptive products is directed to couples seeking to avoid an unwanted pregnancy. The stagnant sales of the program's product and the high cost per CYP indicate that these efforts could be more effective.

2.2.9 Increase the use prevalence of modern methods of contraception

For the current fiscal year, the program aims to deliver some 85,000 CYP. This is virtually the same number of CYP provided last year (Chart II.)

While the program actively promotes four modern methods of contraception, the stagnant sales of the products other than the newly introduced *Piel* condoms indicate that the CSM program is not contributing to increasing the overall use of such methods.

2.2.10 Contribute to the control of donated products

APROPO conducts audits at pharmacies in order to identify and bring to the attention of the authorities the availability of donated products in the private commercial sector. CSM staff have attended conferences on this issue.

2.3 RECOMMENDATIONS: COMPONENT OBJECTIVES

- 2.3.1** A program directed to tap the considerable latent demand for OCs (as expressed in the "intent to use" module of the DHS) and that addresses and is able to significantly lower OC discontinuation rates will result in a much larger market for the program's product and thereby improve its chances in establishing a self-supporting brand of OCs.
- 2.3.2** The use of only one OC enables APROPO to concentrate its resources on one product only, which should assist it in generating higher sales.
- 2.3.3** APROPO must ensure that condoms receive the same extensive coverage that the other CSM products enjoy. Upon reaching good distribution of its condom at the pharmacy level, APROPO should explore other commercial outlets such as supermarkets, kiosks and other habitual points of purchase for direct sale.
- 2.3.4** Sales must significantly increase and/or low cost per CYP must be attained to increase cost recovery.
- 2.3.5** The brochures need to be made more attractive so that potential users will be motivated to read them.
- 2.3.6** APROPO can best control the distribution of donated products by increasing public demand for its products that are available only in the private sector.

2.4 ATTAINMENT OF OBJECTIVES CSM PRODUCT PROMOTION

2.4.1 General

The stagnant sales levels for the CSM products indicates that product promotion is not working effectively.

The decision to promote identical products (Microgynon and Nordette) simultaneously by brand was limiting, costly and ineffective.

The way in which APROPO is using mass media is no different from how it would sell "soap." It stimulates neither attitudinal nor behavior change.

2.4.2 Strategy

A review of the "Brief Para La Agencia de Publicidad: Anticonceptivos Orales -- Microgynon y Nordette" indicates that the advertising agency was informed that the strategy was to place media messages that emphasized the product as opposed to a campaign theme.

As the advertising agency has produced appropriate messages for its other clients, the fault clearly lies with APROPO, which submitted the brief.

The agency cited the very cumbersome decision-making process that required satisfying both SOMARC and APROPO as well as the time involved to reach a consensus. Agency staff stated that the whole process has been one of "fits and starts" as opposed to one of development.

2.4.3 Integration

There is no integration between the various media used for product promotion, i.e. TV ads, brochures and displays. They lack a common element or theme that informs the public that each forms a part of the same program.

2.4.4 Brochures

The brochures being used by the program to attract new users are unsatisfactory for their objective. Averaging some 320 words each, the brochures give insufficient information on which to base an informed choice about a particular method. Women's fears about the method are not sufficiently addressed. The tone of the brochures is medical, which only serves to reinforce women's fears. The physical size of the brochure, the number of pages, and the quality of paper used all convey a message that the product is unimportant. The cover does not invite a potential or actual user to take it and read it, let alone save it. The brochures do not indicate that they are one of a series of four different brochures.

2.4.5 Dispenser

The brochure dispenser contains the name "APROPO" at the very bottom where it is often difficult to read. The link between the products, brochures and APROPO is thus obscured.

2.4.6 Institutional Identification

No attempt has been made to identify what APROPO stands for. A review of the mass media indicates that the public at large might easily think that APROPO is a manufacturer of contraceptive methods.

2.5 RECOMMENDATIONS: CSM PRODUCT PROMOTION

2.5.1 The program needs to communicate a theme that links its various program components.

2.5.1.1 This theme should be one unrelated to reproductive health because when a woman purchases, for example, an OC, she is not buying an OC per se but rather the protection that it affords her from an unwanted pregnancy.

2.5.1.2 A well communicated theme such as the phrase "Toma el control de tu vida" (take control of your life) gives a woman the sense that she is doing something good for herself when she purchases the program's products.

2.5.1.3 The appearance of the theme in all media reduces the resistance to that media for the same reason.

2.5.2 The CSM Manager should develop a campaign using different media with a common theme to enhance consumer awareness and the image of both the program and APROPO.

2.5.3 The CSM Manager should developed new brochures that are larger, more colorful, contain drawings, and use a higher quality paper. They should incorporate more of the information that women want and need in a manner that is acceptable to them.

2.5.4 The CSM Manager should review the contents of the brochures with the medical advisor of either Schering or Upjohn, regardless of whether the brochure relates to their particular product. In this way, the program is assured of providing medically correct advice.

2.5.5 The CSM Manager should develop a new dispenser for the brochures on which the name APROPO is more pronounced, preferably at the top.

2 5 6 In the absence of a name that conveys something about the institution, such as "PROSALUD" or "PROFAMILIA", particular attention must be given to this. The CSM Manager should develop a slogan such as "APROPO es PRO SALUD" to help establish institutional identity

2 5 7 The General Manager, CSM Manager and MC Manager should work together to develop a slogan for APROPO that will facilitate its identification in all of its activities

2 6 FACTORS AFFECTING PRODUCT PROMOTION

APROPO is an institution that implements many isolated activities that appear to be "good ideas" but which do not necessary contribute to reaching any strategic objectives.

2.6.1 Absence of Direction

The absence of direction within APROPO is reflected in its often uncoordinated activities. This clearly hinders its ability in reaching program objectives.

2.6.2 Management

This situation is brought about by APROPO's organizational structure, the absence of strong managers, and a lack of managerial skills.

2.6.3 Relationships with External Parties-General

Difficult relationships with both USAID/Peru and SOMARC, its technical advisor, have contributed to APROPO's inability to reach its stated objectives. Owing to the lack of managerial skills within APROPO, both external groups have been forced to take actions not envisioned either in the cooperative agreement nor the contract for technical assistance. The two external organizations responsible to support APROPO's activities no longer believe in APROPO's ability to implement viable and goal-directed activities despite its having done so at the commencement of the program.

2.6.4 Relationships with USAID/Peru

A fairly adversarial relationship has existed for a number of years. Prior disagreements, unrealized and poorly communicated expectations, and less-than-harmonious relations persist.

USAID/Peru is aware of the lack of management within APROPO and correctly responds by placing more controls on it. The General Manager responds by abdicating managerial responsibility to the USAID project manager to facilitate program monitoring, if not to shift blame for errors and mistakes. The parties have been unable to change the nature and scope of the relationship.

Despite its investment of several million dollars, USAID/Peru remains uncertain that APROPO is able to attain the project objectives set out for it. Unfortunately, this doubt serves to increase USAID/Peru's dissatisfaction with APROPO, along with what USAID perceives as a lack of responsiveness by APROPO to its specific requests for action.

2.6.5 Relationships With SOMARC

SOMARC initially did not want to undertake the CSM component with APROPO. It too is aware of the lack of direction and managerial skills within APROPO but is unable to implement constructive change.

Further compounding the situation is the recent implementation of APROPO's contract with SOMARC for the condom program. From SOMARC's perspective, this is a separate contract; there is CSM and a separate condom program, for which SOMARC has more direct managerial responsibility.

2.7 PROJECT INDICATORS

- 2.7.1 While the USAID-selected indicators of "unit sales" and "contribution to overhead" are appropriate measures, with an underlying concern for CYP delivered, the accompanying program cost per sale per CYP is not being calculated.

The institution is unable to visualize the cost of its decisions, whether for advertising, other promotions or G&A expenditure, as it attaches to CYPs delivered.

2.8 RECOMMENDATIONS: PROJECT INDICATORS

- 2.8.1 It is recommended that target costs per CYP be established for the remainder of the contract by USAID/Peru. In this way the institution will better understand the relationship between cost and sales, with the objective of increasing cost effectiveness and/or stimulating a real interest in cost alternatives.
- 2.8.1.1 APROPO must fully understand what costs should be included in the calculation and what CYP measures should be used. With regard to the former, careful attention must be given to including all indirect expenses, such as G&A, and to formulating an equitable means of distributing these costs among APROPO's various activities.

2.9 COST CONSIDERATIONS: COST EFFECTIVENESS

2.9.1 Cost per Couple Year of Protection

The high program cost of providing one CYP for the period September 1, 1991 to July 31, 1994 (\$7.60) clearly shows that the program is not cost effective. For comparison, the cost per CYP in the Venezuelan CSM program was \$3.15 in the second year of operation. Expenses do not produce the desired results (higher sales) nor does APROPO seem able to adjust its indirect costs in relation to sales activity. Increasing program inputs are seen as the means of increasing sales, while little or no attention is paid to CYP cost.

2.9.2 Managerial Controls

Results clearly indicate that program inputs have been ineffective, yet there has been little willingness to alter either the approach used or the infrastructure.

2.9.3 Media

The review of media to support CSM demonstrates a lack of quality, integration and objectives. The seemingly related but, in reality, highly disjointed media activities are void of any synergy. Costs rise without an accompanying increase in sales.

2.10 COST CONSIDERATIONS: COST ALTERNATIVES

2.10.1 Strategy

APROPO is not sensitive to pursuing cost alternatives as a means of reducing CYP costs and is content to pursue its activities in the normal and usual manner. New jobs are created in response to new needs without consideration of improving the utilization of existing staff. Management is slow in halting activities that are of questionable benefit to its objectives, such as the pharmacy training program.

2.11 RECOMMENDATIONS: COST CONSIDERATIONS

2.11.1 Guidelines need to be introduced, such as cost per CYP, to force APROPO to seek cheaper ways of implementing its activities.

2.11.2 APROPO's CSM Manager should continue the use of the "Pre-Venta" purchase for annual TV time as opposed to spot purchase. The cost differential of some 40% when applied to the large amounts spent on TV publicity, result in significant savings.

2.12 INSTITUTIONAL ORGANIZATION

2.12.1 Structure

The organization of APROPO itself is one of the factors that severely limits its ability to reach its objectives. The organizational environment is developed along the lines of an educational institution as opposed to one designed to promote commercial activities.

2.12.2 Managing Director

The managing director is virtually divorced from both the process and responsibility of decision making for CSM activity.

2.12.3 Inter-Departmental Co-Operation

Despite sharing some similar communication objectives, the CSM Manager and the Communications Manager do not coordinate their activities.

2.13 HUMAN RESOURCES AND STAFFING

2.13.1 CSM Manager

The CSM Manager is very intelligent and committed to her task (as opposed to the specific objectives of APROPO), but requires additional training in family planning concepts, social marketing strategies, and general business practices.

She feel comfortable with media planning and developing because of her experience in advertising. Her prior work with cosmetics gives her a strong consumer products orientation.

2.13.2 Staffing

The entire CSM component is implemented by one manager, one sex educator, one trainer, one promoter of condoms, and one secretary. The component relies on the ability of the mass media and point of purchase activities to stimulate demand.

2.14 RECOMMENDATIONS: HUMAN RESOURCES AND STAFFING

2.14.1 Because there are no in-house capabilities to address these needs, the General Manager should arrange for outside specialists to conduct training sessions on family planning, social marketing, and general business practices to improve the organization's human resources.

2.14.2 To strengthen the program's ability to reach its objectives, promoters at the pharmacy level should be added to current CSM staff

2.14.3 The CSM Manager must reorganize her staff and eliminate those positions not directly supporting CSM objectives.

2.15 FINANCIAL MANAGEMENT, PLANNING AND REPORTING

2.15.1 Management of Expenses

The CSM Manager does not manage the expenses of the CSM component. Rather, sums of money are allocated to particular activities. This allocation appears to be driven by availability and/or contractual obligations as opposed to need. It is not clear that such funds are actually managed and that competing alternatives are analyzed in relationship to some independent measure such as cost per CYP.

2.15.2 Planning

Planning, understood to be the commitment of resources to the achievement of desired outcomes, seems to be nonexistent. Market projections are based on such external events as the increase in the number of women of reproductive age and global trends in contraceptive use as opposed to the relationship between program inputs and potential users.

2.15.3 Month-End Reporting

While such documentation exists, it is not clear that the information is readily understood or effectively used. For example, concern exists for month-to-month variation, which is too short an interval to draw conclusions. Longer-term trends seem to be ignored in determining the success of existing campaigns.

2.16 RECOMMENDATIONS: FINANCIAL MANAGEMENT, PLANNING AND REPORTING

2.16.1 The CSM Manager needs to interact more with both Schering and Upjohn, which have the best capacity to understand the market and to improve the relationship between activities and results.

2.16.2 The CSM Manager needs to be trained to understand and use of monthly and cumulative sales figures.

2.17 DECISION MAKING AND DELEGATION

2.17.1 Role of SOMARC

SOMARC, through its own choice, USAID/Peru insistence, and the lack of CSM capabilities of APROPO, reluctantly assumed the responsibility for management decision making. As a consequence, decision making is separate from those who are responsible for the success of any activity. The CSM Manager considers the SOMARC representative to be her immediate supervisor.

2.17.1.1 The time required to complete the decision making process is excessive, so there is no timely management of the program.

2.17.1.2 The impact of this process has been to limit staff understanding of their work.

2.17.2 The General Manager

Many decisions regarding the CSM component are made by persons outside of APROPO. The General Manager chooses to be divorced from both the process and responsibility of decision making for CSM.

2.17.3 APROPO

In many instances, there is either an inability and/or a lack of desire by APROPO to take the necessary decisions regarding CSM activity. In other instances, the General Manager delegates to the CSM Manager. However, such delegation does not incorporate a discussion or analysis of the decision taken. Therefore, the CSM Manager may not fully consider organizational concerns.

2.18 RECOMMENDATIONS: DECISION MAKING AND DELEGATION

2.18.1 SOMARC should train the CSM Manager sufficiently so that she is able to make decisions regarding CSM activity.

2.18.2 The General Manager should review all decisions made by the CSM manager for appropriateness and conformity with organizational goals and objectives.

2.19 TECHNICAL ASSISTANCE

2.19.1 Timeliness

Technical assistance as provided by SOMARC is dictated as much by its ability to respond as by the needs of the program. Therefore, in many instances, needed support and/or approvals takes more time than the CSM Manager would like and results in more cost and less effectiveness than is possible.

2.19.2 Technology Transfer

The scope of work for technical assistance specified that training of a CSM component manager would be undertaken. The CSM Manager, who has been working with APROPO since November 1993, has already participated in a 10-day training session in Colombia with the SOMARC representative and PROFAMILIA, a Colombian NGO. Additionally, the SOMARC representative has made two site visits.

- 2.19.2.1 Judging by the media inputs and program activities, this training has not yet provided a clear understanding of the objectives and methods of social marketing.
- 2.19.2.2 To date, the Manager is unable to determine the size of the potential market.
- 2.19.2.3 To a degree, judging by the *Piel* promotion, some technology transfer has taken place.

2.19.3 Consensus Building

The scope of work for technical assistance for the CSM component talks of "assisting", "working with", and "facilitating" APROPO's tasks. Theoretically, adherence to these principles would lead to consensus-building.

- 2.19.3.1 SOMARC's need to assume management responsibilities, the absence of the General Manager within CSM activity, and the continuing development of the CSM Manager results in decisions by SOMARC that APROPO may follow, but not agree with.

2.19.4 COORDINATION-SOMARC/JHU/PCS

Technical assistance from SOMARC and JHU/PCS was to offer APROPO the combined expertise of both groups in the development of its campaigns. Regarding CSM, this joint effort was never realized because SOMARC wanted to control the components of its technical agreement.

2.19.5 IMPLEMENTATION

As SOMARC has been forced at times to take the responsibility for management decision making, APROPO has implemented many of these decisions.

2.20 RECOMMENDATIONS TECHNICAL ASSISTANCE

- 2.20.1** The scope of work for technical assistance makes no reference to "timeliness" nor does it specify a particular time frame within which decision making should take place. Nonetheless, these are important issues, so USAID/Peru should review APROPO's complaints regarding delays and determine what, if any, new procedures, need to be implemented.
- 2.20.2** SOMARC should evaluate the training it offered, whether it was sufficient, and whether the CSM Manager needs further training.
- 2.20.3** SOMARC should cooperate with procedures whereby both the General Manager and the CSM Manager are responsible for all decisions regarding CSM activity.
- 2.20.4** The agreement between USAID/Peru and the SOMARC specifies tasks and a description of technical assistance activities. In no place does this agreement state or imply that SOMARC will assume responsibilities for management. Where SOMARC approval was needed, prior to implementation of certain activities, this could fall outside of the scope of the agreement. Therefore, USAID/Peru should either require SOMARC to conform to the agreement or the agreement should be changed.

2.21 USAID/Peru

By design, the most important relationship within the CSM component is the relationship between USAID/Peru and APROPO. Accordingly, both the expectations and responsibilities on the part of each one must be clearly communicated and understood.

2.21.1 Coordination

Although meetings and telephone conversations are frequent, miscommunication still occurs too frequently.

2.21.2 Roles

USAID/Peru's intent was to assist APROPO in becoming a self-sustaining institution through effective management of a CSM program. USAID itself did not desire a managerial role other than in contract management.

2.21.3 Reporting

Marketing plans are done for one- and five-year time frames. Planning for more than three years is only an exercise in "number crunching," since long-range forecasting is so difficult.

2.21.4 Concept of Self-Sustainability

The definition of "self-sustainability" needs to be clarified

2.22 RECOMMENDATIONS: USAID/Peru

- 2.22.1 It is recommended that USAID/Peru introduce contractual changes that specify the responsibilities for each of the participants
- 2.22.2 USAID/Peru should continue regular meetings with APROPO to allow for the quick resolution of any outstanding issues. Each meeting should begin with a review of the follow-up actions taken since the last meeting.
- 2.22.3 USAID/Peru should make every effort to ensure APROPO's responsibility and right to make decisions, but simultaneously USAID must be able to express its own opinions as part of this process.
- 2.22.4 As the funding organization, USAID/Peru must exercise its right of monitoring and evaluation.
- 2.22.5 USAID/Peru should fully clarify its reporting needs to APROPO.
- 2.22.6 USAID/Peru should make every effort to reduce any unnecessary paper work and reporting requirements.
- 2.22.7 The annual plan of work should be simplified as much as possible.
- 2.22.8 It is necessary for USAID/Peru to redefine the self-sustainability objective.
- 2.22.9 USAID/Peru should recognize that the attainment of complete self-sustainability will require more time than the contract period and is therefore not a realistic goal in the short term.
- 2.22.10 Some new indicator needs to be developed and introduced by USAID/Peru, such as percentage of sustainability attained, to measure progress toward this objective.
- 2.22.11 USAID/Peru and APROPO should jointly prepare a new budget for future CSM expenditures and these should be tracked monthly.

2.23 OVERALL ASSESSMENT: MAJOR STRENGTHS

2.23.1 Exogenous Variables

The program should benefit from the current economic situation in Peru and the country's well-developed commercial infrastructure. These favorable conditions include:

- The extensive network of pharmacies
- No prohibition against brand advertising
- Increasing number of women of reproductive age
- Proportionately large urban population
- A well developed commercial infrastructure
- CSM brands held their own while Peru's economy was ravaged by inflation (showing a strong demand)
- The key collaborating organization, Schering, is committed to CSM
- A positive business atmosphere prevails
- Licensing of pharmacies has been liberalized
- The leakage of donated condoms into the commercial sector has been reduced
- The informal sector has expanded (giving many people more disposable income)
- A large proportion of the target population has good access to mass media
- Radio ownership is universal
- Traditional methods have high use and high failure rates (indicating a potential market for CSM)
- High discontinuation rates with OC use (ability to reduce discontinuation among already users of OCs will significantly increase the current market)

2.23.2 Endogenous Variables

APROPO itself has many strengths that can assist its efforts. These include:

- **APROPO has a highly influential Board of Directors who are committed to its overall objectives and who are a potential source of funding for APROPO's activities.**
- **The General Manager enjoys the Board's confidence and is deeply committed to the APROPO's overall objectives. She is well known in the community and has positioned APROPO well within the NGO and public health environment.**
- **The General Manager is aware and able to admit that APROPO, in its current form, is unable to reach its objectives.**
- **CSM staff are intelligent and committed to the overall program objectives.**

2.24 OVERALL ASSESSMENT: MAJOR WEAKNESSES

Certain factors hinder APROPO's ability to meet the objectives as set out in the project paper. These conditions are both external to APROPO and internal to it. Clearly, some of these weaknesses can be corrected in the short term while others will require a longer time frame.

2.24.1 External Conditions

Current attitudes and practices:

- **Men report the same health fears about contraceptive methods as women.**
- **Condoms are associated with pre- and extra-marital affairs.**
- **The tendencies for early childbearing and reaching the desired family size in a relatively short time result in a relatively short period when many women are potential users of OCs.**
- **People have high reliance and confidence in traditional methods despite high failure rates.**

Actors other than USAID:

- **The UN donation of 300,000 injectables of Depo-Provera may dampen interest in securing this method from the private sector.**

- There is some leakage into the private sector which then competes directly with the program's product
- SOMARC is not following its scope of work for technical assistance. Its active managerial and decision making role is inappropriate
- SOMARC bases its decisions on a model that has not been successful in the Andean setting. This model emphasizes low price and product promotion through mass media. It promotes family planning to couples and does not utilize promoters at the pharmacy level.

USAID/Washington:

- Donates significant quantities of OCs, IUDs, condoms, and injectables which are given at no cost in public-sector institutions. Particularly in periods of economic crisis, this may dampen interest in securing these methods from the private sector.

There may be some leakage into the private sector, which then competes directly with the program's products.

2.24.2 Internal Weaknesses

- Neither the General Manager nor the CSM staff of APROPO understand how CSM programs must function if they are to be successful.
- Neither has an understanding of commercial strategies and practices.
- CSM staff lack training on basic skills needed in successful CSM programming.
- The importance of a successful CSM component for the future of APROPO is still not an essential part of the organization's environment.

2.25 RECOMMENDATIONS

2.25.1 Continuation

The existence in Peru of a delivery system that offers modern contraceptive methods at accessible prices and that uses the mass media to promote behavioral and attitudinal change is critical in attempting to raise the prevalence in the use of such methods. Every possible effort should be made to ensure the continuation of this project.

It is recommended that the CSM component of the program be reformulated to incorporate the recommendations made in this report. If USAID/Peru and APROPO agree to implement the majority of the evaluation team's recommendations, a four-month time frame should be developed to incorporate these changes.

If APROPO does not implement the majority of the recommendations, it is recommended that USAID cease funding the CSM component but move quickly to support CSM through some other organization(s).

The consideration of possible alternatives to APROPO to manage the CSM component, such as the placement of it in another NGO or private sector distributor, did not offer any clear advantages over the current institution. APROPO's staff is capable of carrying out this program upon the implementation of team's recommendations.

2.25.2 Project Design: Overview

Project planning documents specified the various necessary components in the design of the CSM component that should have resulted in a successful program. The majority of these considerations need not be changed if the decision is made to continue.

2.25.3 Design Components to be Altered

2.25.3.1 Target Audience

In contrast to the current emphasis on both family planning and on both "spacers" and "limiters", it is recommended that there should be a promotion of reproductive health and the inclusion of "avoiders" in the target population. This will help to reduce consumer reluctance (since the words "family planning" produce negative attitudes and emotions in some potential users) and increase the size of the potential market.

2.25.3.2 Theme

The program needs to communicate a theme that links its various program components and that is unrelated to reproductive health.

When a woman purchases, for example, an OC, she is not buying an OC per se but rather, the protection that it affords her from an unwanted pregnancy. A well communicated theme such as the phrase "take control of your life" gives individuals the sense that they are doing something good for themselves when they purchase the program's products.

The promotion of a common theme through various media will increase consumer awareness of the program and of APROPO, adding to the public perception of importance of the theme and the organization. It will also breed familiarity that lessens people's resistances to program messages.

2.25.3.3 Advertising Strategy

While it is important to promote the program's products, the CSM Manager should ensure that the tone of messages is educational rather than patently commercial.

2.25.3.4 Third Party Product Management

APROPO must acknowledge that it cannot manage brands whose titles remain with another party, i.e. Microgynon (Schering) and Depo (Upjohn). The CSM Manager should arrange regular meetings with the pharmaceutical companies to share experiences, objectives, and outcomes.

2.25.3.5 Pricing

The pharmaceutical companies and the general manager of APROPO should establish prices for CSM products that reflect the economic reality of both the manufacturer and the implementing agency. It should not just be set at a low price, which will encourage sales but which requires substantial, open-ended subsidies for continuation.

CSM publicity should introduce the concept of a price for the product that people can afford to pay.

2.25.3.6 Other Products

To date, all commodities have been donated or provided by a third party. The CSM Manager can import the Copper T 380-A IUD for resale. The high demand, low price, and considerable mark-up will add to APROPO's ability to generate funds to cover its costs.

2.25.3.7 Sponsorship

The CSM Manager should combine many or all CSM products in one commercial and mention all brands in all printed media, not only to achieve cost effectiveness but also to emphasize the importance of the overall program.

2.25.4 Design Components to be Removed

2.25.4.1 National Retailer Training Program

Although evaluations show that training participants gain knowledge, it is not clear that pharmacists have sufficient time to counsel women on family planning.

Moreover, many women in Latin America are too shy to request information related to reproductive health in public and from a stranger. In a study of 900 Venezuelan women (SES C & D) of reproductive age done in 1991, only 2% indicated that they would go to the pharmacy to seek answers to their questions about problems relating to sexual relations.

This component has minimal benefits to CSM objectives.

2.25.5 New Design Components to Be Added

2.25.5.1 Promoters

The CSM Manager should hire promoters to work in the five largest cities to promote the program at the pharmacy level. Much promotional activity should occur at this point of sale, such as the distribution of brochures and the like.

Such visits can be used to explain the program and its objectives, promote its products, and investigate the sale of donated commodities. Additionally, the high degree of attention greatly enhances the program's ability to obtain the support of this group which is the backbone of the program.

2.25.5.2 Outreach Presentations

The CSM Manager should implement outreach presentations to pharmacies and wholesalers in conjunction with manufacturers of CSM brands. The idea is to hold an event and invite pharmacy and distributor staff to attend a speech in which the program is explained in detail. Additionally, the manufacturers are given the opportunity to explain the reasons for their participation in the program. The inclusion of the upper management of the manufacturers will greatly enhance the program's image.

2.25.5.3 Integration of APROPO's Efforts

The CSM Manager must ensure that all of APROPO's efforts support the viability of the CSM component.

2.25.5.4 Conferences

The CSM Manager should actively participate in all CSM product manufacturer's conferences and meetings for the medical profession and explain the program and its objectives. By observing the link a prestigious manufacturer and APROPO, the medical profession will appreciate the importance of this activity and possibly give more support.

2.25.5.5 Depo-Provera Training

The very particular secondary effects of Depo use makes it necessary to provide users with easy access to basic information. The CSM Manager should design and implement Depo-Provera training. Such training should be incorporated into the promoters' work at the pharmacy level. In addition, operations research should be undertaken with the A.I.D.-funded INOPAL III program in order to determine the effectiveness of this strategy on improving continuation rates.

2.25.5.6 Sales Force

In order to promote the sale of IUDs and condoms (and possibly other products), which are either donated to or purchased directly by APROPO for resale, a sales force is required. The size of the force should be based on the level of activity.

2.25.6 PROJECT MONITORING AND EVALUATION

Project monitoring, subject to USAID/Peru's and APROPO's willingness to implement the recommendations contained in this report, would focus on: (1) the implementation of the agreed-upon changes and (2) the monitoring and evaluation of the project itself.

2.25.6.1 Plan of Action

A timetable/plan should be jointly prepared by USAID/Peru and APROPO that reflects the agreed-upon changes based on the recommendations contained in this report. Compliance with the plan should be reviewed at the USAID/APROPO biweekly meetings, on a regular basis.

2.25.6.2 Monthly Meetings

A recommended component of project management is the implementation of a monthly meeting of all primary participants in the CSM program in order to discuss the previous month's activities. This meeting should include the USAID/Peru program officer and the top management of

APROPO, Schering, Upjohn, Medifarma, and the advertising agency. In this way, those who are the most experienced in this type of activity will have the direct opportunity to help shape the program and increase its effectiveness.

2.25.6.3 Program Evaluation

Gauging program impact on increased knowledge and prevalence of use necessitates waiting a number of years. Market trends (as opposed to a month-by-month evaluation) remain the best predictor of program success.

Short-term indicators of programmatic impact will remain product sales as reported by the IMS information system, cost per CYP, and a calculation of the percentage of self-sustainability.

Additionally, analysis of sales of like products, while related to the direct sales figures of the program's products, also can reveal the program's impact. An analysis of a sudden surge in sales, for example, of Nordette, at a time when Microgynon sales are stagnant, would indicate either inadequate promotion by APROPO, Schering or both and/or the effectiveness of a sales strategy for Nordette that should be incorporated into APROPO's promotion of Microgynon as well.

2.25.7 PROJECT STRATEGIES

The CSM strategies should be understood as the underlying process in the attainment of the program's objectives. They, in turn, generate the design components that are incorporated into the action plan. While some of the original strategies can be maintained, the recommendation is made to alter others and to incorporate some new ones.

Strategies to be altered:

2.25.7.1 Brands Selected for Mass Media

In order to maximize program sales and to make its promotional activities more cost effective, all CSM products should be included in mass media promotion.

2.25.7.2 Informational Materials

In order to maximize program sales and to make promotional activities more cost effective, all products should be supported by informational materials that will be made available at point of purchase.

2.25.7.3 Product Promotion

In order to maximize program sales and to make promotional activities more cost effective, all products should be promoted at all outlets

New strategies to be introduced:

2.25.7.4 Promotion of Reproductive Health

Reproductive health is a broader concept than family planning because it includes this and other components as well, such as AIDS and STD prevention, maternal-child health, and the avoidance of unwanted pregnancy.

Actively being promoted as part of the ICPD conference in Cairo, reproductive health offers a viable alternative to family planning in that it is a concern of all women for their entire reproductive period. Promoting reproductive health will increase the program's target population significantly. Offering more information and products related to all aspects reproductive health will greatly enhance the quality of care component of the program.

2.25.7.5 Add an AIDS Prevention Component

The increase in the number of AIDS cases and the number of HIV-infected individuals can greatly alter perceptions of family planning. APROPO should introduce an AIDS component into its program.

2.25.7.6 Promote the Condom as a Female Method

Increasing the prevalence of condom use, both for AIDS prevention and family planning, will necessitate changing its image. Currently, it is perceived as the method of choice when a man is with a commercial sex worker or a partner other than his wife.

Because STDs may remain hidden to a woman, but are manifested on the external genitalia of a man, it may be of greater importance to her to have the protection that a condom offers.

It is important to incorporate program design components that empower the woman to negotiate with a man regarding condom use, that it is okay for her to buy condoms and offer, if not demand, that her partner use one.

2.25.7.7 Promote Reproductive Health to "Avoiders"

Women with no children and who do not currently want children (avoiders) comprise a significant portion of women of reproductive age. The exclusion of this group in the project paper is an error as significantly lowers the potential sales volume of the program's products. The program has a responsibility to assist these women, since they too have reproductive health needs.

2.25.7.8 Promote Messages to Reduce Discontinuation

Some 56% of pill users discontinue within three months of initiation. This DHS finding implies a severe lack of information regarding secondary effects. Cutting this figure in half would add 500,000 cycles to the OC market. The CSM Manager needs to develop and implement mass media messages specifically to dissatisfied OC users in order to reduce discontinuation.

2.25.7.9 Concentrate CSM Activities in Urban and Semi-Urban Areas

Almost two-thirds of the total population live in urban or periurban areas, with a high degree of coverage by pharmacies and TV (both necessary ingredients to successful CSM programming). In order to maximize the cost effectiveness of the program, efforts should be initially directed to these areas. Rural areas will be included as the program's base expands.

2.25.7.10 Direct Promotional Material to Users of Traditional Methods

As one half of all contraceptors are using traditional methods which result in much unwanted pregnancy, the program should prepare messages and/or brochures that are directed to explaining the high failure rates that attach to these methods. A self-administered Q & A section would, based on other surveys, reveal to the woman that she indeed does not understand the method and would be better able to manage her fertility by using a modern method. It is important to remember that these women have already decided to contracept and are very different from non-users of a method. The attempt here is to get them to change methods (or at least to understand traditional methods better).

2.25.8 PROJECT SUPPORT BY USAID/PERU

Project support to date has not been able to help APROPO completely develop the necessary skills and resources to effectively manage the CSM program. While much effort is dedicated to this and to insure the smooth running of APROPO's activities, there is a lack of formal procedures that might facilitate the attainment of these objectives.

USAID/Peru should recognize that the commercialization of contraceptive methods by APROPO for its own account, such as the condom and the IUD, involve normal commercial risks. That is, these products may meet with failure or non-acceptance despite pre-testing and the like.

2.25.8.1 Recommendations

It is recommended that formal contractual changes be prepared so as to clarify the responsibilities, activities, and expectations of both USAID/Peru and APROPO. USAID/Peru should contract a new technical advisor in the shortest time frame possible so as to implement the necessary changes in an effective manner.

As long as PL480 funds can cover MC activities, USAID should allocate the remaining project funds into the CSM component of the program. An element contributing to the confusion in operating the program was that the MC budget was to include mass media for both the CSM program and the national family planning program. This mix resulted in two distinct and unintegrated activities.

2.25.9 TECHNICAL ASSISTANCE

The CSM project remains in need of technical assistance to assist it in implementing the changes recommended in this report. Recommendations follow:

2.25.9.1 Reconsideration of the Source of Technical Assistance

The quality of the technical co-operation offered by SOMARC needs to be questioned. The following is quoted from the marketing plan for condoms for the 1994 to 2000:

"...in 1993, in the formal commercial market in the city of Lima, 3,307,300 condoms were sold. Taking into account that the population of Lima accounts for 30% of the total population of Peru, we can deduce that for the year 1993, some 11,024,000 condoms were sold nationally in the formal commercial sector."

The total amount was arrived at by extrapolating from Lima's population/condom sales ratio. The assumption that the rest of Peru is like Lima is not tenable. Clearly, an error such as this shows a serious lack of understanding of the market.

Given the program's inability to reach its objectives and SOMARC's partial responsibility for this, and given the team's judgment that SOMARC's assistance has been fraught with managerial and technical shortcomings, it is recommended that USAID and APROPO seriously reconsider the source of technical assistance for the CSM component. The team's CSM specialist feels that technical assistance should be provided by a group other than SOMARC.

2.25.9.2 Criteria for the Source of Technical Assistance

An entity with a successful record in the management of a similar program in an Andean setting should be selected. It could bring elements to the program that have already been successful and therefore shorten the time required for the Peruvian CSM program to reach its objectives.

2.25.9.3 Agreement

In order to avoid the confusion that attached to the assistance provided by SOMARC, any agreement between USAID/Peru and the new technical advisor should specify the responsibilities of the parties concerned and provide a time frame for decision making.

2.25.10 OTHER RECOMMENDATIONS

2.25.10.1 Motivate the Manufacturer's Sales Force to Sell the Program's Products

By offering prize money to the highest sellers in relationship to their sales plan, APROPO can give effective incentives for better sales.

2.25.10.2 Upjohn's Unit Contribution Should Be Three Times that of the Unit Contribution of Microgynon

Current terms favor the sale of Microgynon over Depo-Provera. As the protection by one unit of Depo-Provera is the equivalent of three units of Microgynon, the respective contributions should exist in the same ratio to make APROPO unbiased toward the sale of either product.

2.25.10.3 Exclusive Contracts

Upjohn should be offered an exclusive contract that would prohibit the use of any other manufacturer's injectable contraceptive.

Schering should be offered an exclusive contract that would prohibit the use of any other manufacturer's oral contraceptive.

The purpose of this is to strengthen the manufacturers' commitment to the program and to encourage them to direct their own resources to support it. The simultaneous participation of any of their direct competitors would eliminate the partners' reason for supporting the CSM program.

2.25.10.4 Percentage Contribution

The percentage contribution of Schering to the sales of Microgynon should be two-tiered to stimulate and reward APROPO's promotional efforts for sales greater than anticipated.

2.25.10.5 Introduce a Voucher System to Link the Ministry of Health and the Private Sector

The significant quantities of donated products from both the UN and USAID to the public sector dampens consumer interest in purchasing their contraceptive needs from the private sector.

Innovative ways should be explored to change this. For example, instead of giving out contraceptives for free, the Ministry could issue a voucher for an unspecified value that the recipient could use towards the purchase of the product from within the private sector. The vendor would then redeem these vouchers with the Ministry. The objective is to shift part of the contraceptive cost from the public sector to the private and to reduce the overall reliance on donated product.

2.26 **CONDOM PROGRAM**

There is no logical reason to consider condoms outside of the normal CSM product mix. They are an important component, because they offer protection against AIDS. The promotion of condom sales, no different from that of the other products, can be accomplished within the remaining funds of the program and does not necessitate the use of the promotional funds from APROPO's contract with SOMARC.

APROPO's recent contract with SOMARC regarding the promotion of condoms has resulted in further confusion within APROPO. SOMARC perceives two very distinct roles -- providing technical assistance for the CSM products other than the condoms AND managing the condom activity. It is recommended that the buy-in with SOMARC be terminated as soon as possible.

2.27 **SUSTAINABILITY**

At a minimum, this program needs to generate some \$450,000 annually to maintain all of its social marketing activities. A review of the marketing plan for the years 1994-2000 shows an annual shortfall of approximately \$250,000.

Sustainability can only be reached by drastically reducing media costs and/or increasing sales. By doing the former, one of the basic components of CSM will be sacrificed. Therefore, all institutional efforts must be directed effectively to achieve higher sales for all program products. If the recommendations presented in this report are NOT implemented, this program will be unable to reach financial self-sufficiency in the foreseeable future.

2.28 METHODOLOGY

Based on USAID/Peru's scope of work and the team's discussions USAID staff, it was decided that the most appropriate evaluation methodology to employ was a qualitative one that included open-ended interviews with relevant persons, both internal and external to APROPO, and a review of the relevant documentation, including plans, reports, research summaries, training and educational materials, and financial documents.

2.28.1 Interviews with USAID/Peru

Maria Angélica Borneck
Paul Cohn
Gloria Nichtawitz
Susan Brems
Don Boyd
Jerry Martin

2.28.2 Interviews with USAID/Washington

Tom Morris

2.28.3 Interviews With APROPO

Carola La Rosa de Luque
Ana Teresa de Petch
Luz Elizabeth Aliaga
Pepe Valdez

2.28.4 Advertising Agencies

PROPERU
Eduardo Soto
Brunella Paredes
Arabella Krateil
Hugo Tipiani
McCann Erickson Peru
Mario Benavente
Jorge Orihuela
Francisco Garcia

2.28.5 Technical Advisors

SOMARC
Dario Mejia

2.28.6 Pharmaceutical Manufacturers

Schering
Felipe Khan
Victorino Raggio
Upjohn
Enrique Cadenas
Medifarma
Jorge Vergara Vergara
Juan Caceres

2.28.7 Others

Dr. Jim Foreit (Population Council)

2.28.8 Review of Relevant Documents

Project Paper
Plan de Mercadeo- 1994-2000
Report: "Proyecto-Planificación Familiar" Año III, Semestre I Report: "Plan de Trabajo-Año-3
Report: "Informe Año II"
Report: "Plan de Trabajo del Año II"
Report: "Informe Año I"
Report: "Plan de Trabajo del Año I"
Cronograma de Actividades: Año I
Memorandum: J.Urrutia dated 8/7/92
Scope of Work: Technical Assistance for the CSM Component
Auditoria de las Actividades: 12/93
Auditoria de las Actividades: 12/92
Gastos Año I, II, III por Componente Técnico ENDES 1991/92
Annex A: Peru's Development Context-USAID
Sectorial Plan
Brief para Agencia de Publicidad
Schedule of AID Donated Products
Contracts with laboratories

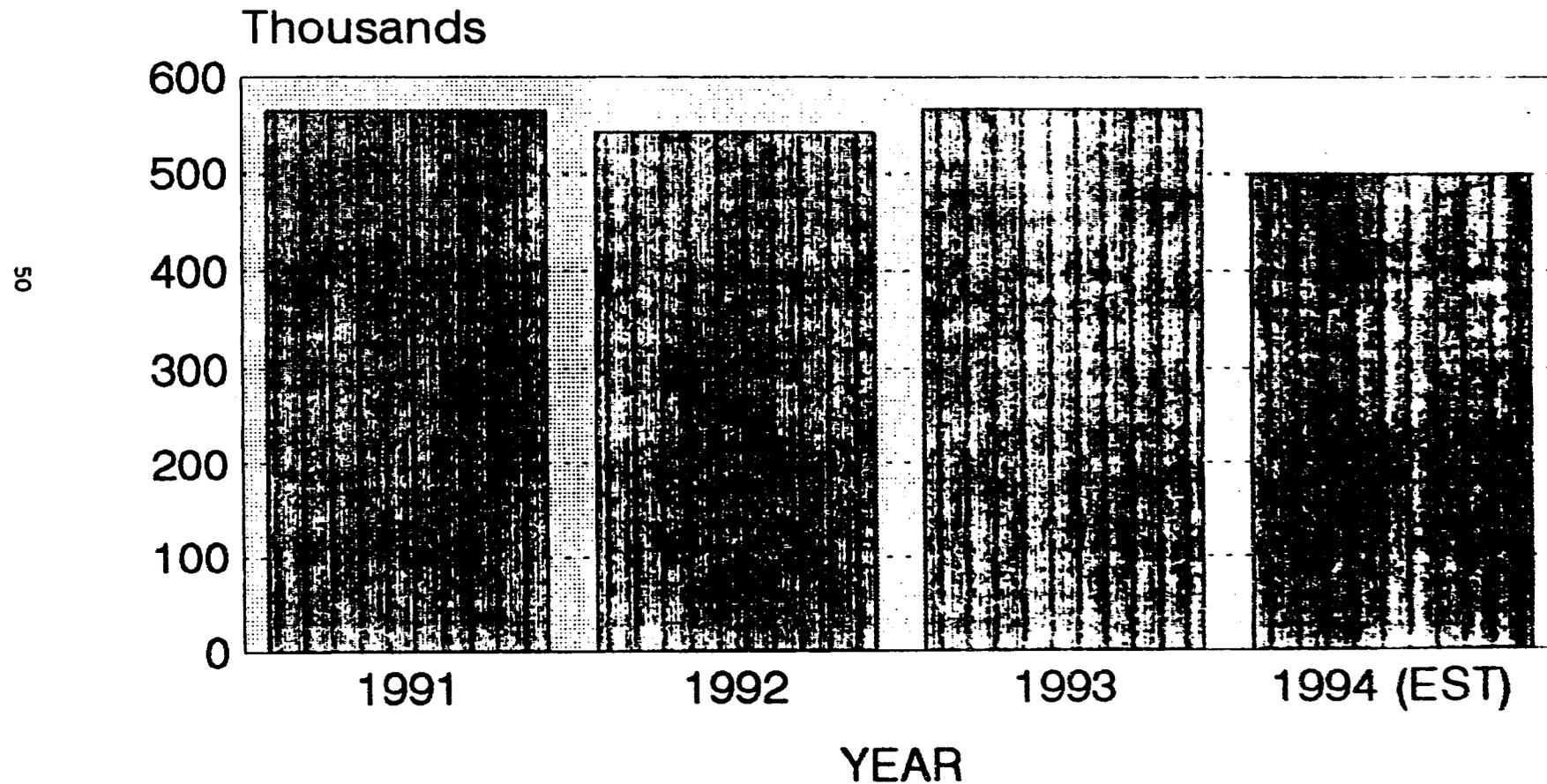
2 28 9 Program Media and Related Activities

**TV ads
Radio announcements
Media plan
Brochures
POP displays
Hotline counseling**

SALES: MICROGYNON

September 1990-August 1994

Chart I



Entered Program: March 1992

Chart II

ESTIMACION DEL COSTO POR AÑO
DE PROTECCION POR PAREJA
(Cifras en US\$)

	AÑO 1	AÑO 2	AÑO 3
MSA	290,218.77	569,762.02	435,228.74
PSC		9,000	14,608.68
CM			
OCD (66%)	73,431	51,328	45,127
ADM (66%)	88,538	36,720	9,450
	-----	-----	-----
SUB-TOTAL	452,188	666,810	504,414
F. PROPIOS 50%	22,193	74,571	72,493
	-----	-----	-----
COSTO TOTAL	474,381	741,381	576,934
APP:			
Microgynon	41,923	43,677	41,557
Nordette	5,374	10,207	11,147
DepoProvera	10,736	14,027	17,574
Lorophyn	12,291	14,439	12,881
	-----	-----	-----
TOTAL APP	70,324	82,350	83,159
COSTO/APP US\$	6.74	9.00	6.94
	=====	=====	=====

Chapter 3 MASS COMMUNICATION

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3.1 WHAT ARE THE OBJECTIVES OF THE MASS COMMUNICATION COMPONENT?

The objectives of mass communication activities were not stated clearly in the project design and have changed at times from document to document.

The only objective for the component that is stated explicitly in the Project Paper is "coordinate the communication programs of all organizations working in family planning in Peru" (page 2).

Comment: Given differing institutional philosophies, goals and strategies and normal institutional competition and jealousy, this is a difficult objective to achieve. It is true, however, that APROPO has coordinated its own communication activities well with several Peruvian organizations (e.g., MOH, IPSS, CARE), and it still hopes to play an important role in achieving a national family planning communication strategy with other organizations.

Two other objectives are stated in the Project Paper, although not specifically labelled component objectives:

- to institutionalize the capacity to develop and maintain communication programs in Peru's most important family planning organizations (page 51)
- to lobby for policy change to support family planning in Peru.

The "institutionalize" objective is a major task that probably requires more funding than is currently available to APROPO. APROPO is both the recipient of technical assistance in communications (from JHU/PCS and SOMARC) and the provider of technical assistance (to CARE). It has developed some good in-house communication skills, but its current staff is too occupied with current activities to serve as a significant source of technical assistance to other organizations.

Regarding the third objective, although APROPO has not defined political policy makers as a target group for communications, in fact many of the mass media activities (TV, radio, press) have undoubtedly reached policy makers. **APROPO should give more attention to this objective through meetings, seminars, etc. as well as mass media.**

Other guidance from the Project Paper is a list of major activities that APROPO is to carry out in coordination with the Consejo Nacional de Poblacion, with technical assistance from JHU/PCS:

- a communication needs assessment. (This was completed.)

- (in the first year of the project) a national communication conference and workshop to divide responsibilities among IEC programs and to train specialists in modern targeting and evaluation methods (This was not carried out because of a decrease in political support for family planning under the new Peruvian government).
- a National Family Planning Communication Campaign designed and implemented by all organizations involved in family planning activities. (Such a campaign was carried out in 1992/93 and is about to begin for 1994/95, however, these campaigns have been planned essentially by APROPO alone, with some coordination with the MOH and IPSS and technical assistance from JHU/PCS).

Finally, in the Project Paper, two of the seven objectives in the Logical Framework are for the MC component. These are:

- implementation of national family planning communications campaign (with the number of participating agencies and messages/materials produced and aired as indicators); and
- increased knowledge about contraceptives and sources among women and men (with increased percentage of women and men with knowledge of methods and sources as the indicator).

Moving to the Year 3 Work Plan, the MC objectives have changed:

- Strengthen demand in the commercial sector through activities to promote contraceptive methods obtained at "points of sale" in this sector: pharmacies, private medical practices, etc.
- Strengthen APROPO as a leader in the commercial, private sector in the promotion of family planning and responsible sexuality.

These objectives omit the earlier emphasis on APROPO working to strengthen family planning communication capabilities in other family planning organizations.

The objectives of APROPO's communications strategy for September 1993 to December 1994 are:

- Support the creation of a climate favorable to the adoption of family planning in Peru, generating demand for contraceptives by giving correct information and promoting changes of attitude in the target group.

- Promote among users of family planning (current and potential) the idea that family planning is a component of reproductive health related to the rights of women, prevention of reproductive risk and maternal mortality, and improved quality of life.
- Direct the demand for contraceptives to services where information and contraceptives are available in the public, private commercial, and private non-profit sectors
- Strengthen APROPO's image as a leader in the commercial sector in promoting family planning, reproductive health, and responsible sexuality.
- Strengthen the links and coordination with other public and private entities working in family planning, reproductive health, and responsible sexuality

Finally, let's examine the objectives of the second mass communication campaign, which is about to begin.

- increase the number of visits for family planning information and services;
- increase the use of family planning through the provision of accurate information that counteracts myths and rumors;
- improve the climate for becoming family planning acceptors, and
- provide family planning information through community leaders and health promoters who work with women's groups.

The periodically shifting objectives make it difficult for APROPO to consistently pursue them before they change again. **It is recommended that USAID and APROPO agree on clear, realistic objectives for the remainder of the project and that these not be changed again. Three MC objectives that may be suggested are:**

- **increased % of sexually active couples who use modern contraceptives;**
- **increased % of users of temporary modern methods continue to use them; and**
- **increased ability of APROPO to plan, execute, and evaluate effective communication activities.**

3 2 WHAT HAVE BEEN THE ACHIEVEMENTS OF THE MASS COMMUNICATION COMPONENT?

APROPO's MC activities have clearly achieved some of their objectives, but it is difficult to gauge their actual impact on increasing the number of new users of modern contraceptive methods and on improving the continuation rates of persons who initiate temporary modern methods. Some of the clear, although difficult-to-quantify, achievements are

- **APROPO's efforts have brought the themes of sexuality, human reproduction, and family planning into the mass media and into popular consciousness. These are now common topics for people to read and hear about and see. They are much less taboo than they were a few years ago.**
- **APROPO has arranged for a great deal of free TV and radio time for its programs and messages. The mass media are becoming more and more open to giving free coverage to these and other topics of social interest.**
- **APROPO has made some progress in coordinating efforts with the MOH and IPSS, as well as a few NGOs (but much remains to be done).**

However, in the opinion of the new director of the communications unit, "We don't have good results yet. We haven't bridged the gap between people being positively disposed to family planning and their actually doing it."

There is not yet clear or consistent evidence concerning MC's impact on the number of users of modern family planning users. It is difficult to tell the extent to which:

- **MC has been effective and has led to higher use of modern contraception;**
- **MC has been effective in changing attitudes (and knowledge) but has not led to significantly higher use because of supply-side problems; or**
- **MC has not been very effective in changing attitudes or behavior.**

A JHU/PCS/APROPO analysis of the first four waves of "impact evaluation" surveys ("Peru Mass Media Campaign Evaluation Indicators Key Findings Report" by Thomas Valente, Patricia Poppe, Rosario Vera de Briceño, and Danielle Cases, draft, July 3, 1994) reported "over 60 percent of respondents spontaneously recalled hearing or seeing some mass media programming about family planning. Over 95 percent...with prompting...this exposure generated considerable interpersonal communication about family planning...the media programming was consistently associated with (1) an increase in the image respondents have of family planning service providers and services, (2) a decrease in the level of myths and rumors about family planning [actually, the level increased again in wave 4 almost to the wave 1 level], and (3) sometimes an increase in the proportion who decided to use family planning or who actually used

family planning recently " Spontaneous awareness of APROPO increased from 8.3% in wave 1 to 25.4% in wave 4. Another finding was the preference for longer communication formats

A JHU/PCS/APROPO analysis of the final three of the five waves concluded that "the level of program exposure was not as high as it could be. Possibly due to the confounding influence of multiple media messages and the competition of the mass media environment, none of the communication activities were recalled by more than 20% of the sample. The Las Tromes spots, expected to have a high penetration, were recalled by 29% and 39% of respondents in waves four and five respectively. Thus, continued efforts should be made to disseminate the Las Tromes campaign." The misinformation score did not change much over the waves of data collection and was higher among users of traditional methods than users of modern methods or non-users. ("Las Tromes I Impact Evaluation," by Thomas Valente, Patricia Poppe, Rosario Vera de Briceño, and Danielle Cases, draft, July 8, 1994)

The analysis does not show the actual number of people who said they started family planning because of the campaign, but by extracting numbers from the tables, I calculate that for wave 3, 88 of the 1488 persons interviewed had recall of the materials and said they became family planning acceptors. Thus, it would appear that just over 5% of the target audience changed their behavior as desired.

Since January 1992, APROPO, with assistance from JHU/PCS, has established a sentinel site study in public and private facilities aimed to measure the impact of the los tromes II campaign on demand for family planning services. Unfortunately, there have been anomalies in the data reported, and, possibly because of the small sample size, no statistically significant results. ("Preliminary Analysis of MEF Sentinel Data. JHU/PCS & APROPO, January 7, 1994.")

A final, although very rough, indicator of a possible impact from the MC activities is the report of the MOH for contraceptives distributed during the first half of 1994. The number of IUDs, pills, condoms, and tablets were more than the total distributed in the entire year of 1993, and the number of injectables was twice as many. Unfortunately, this trend has not been paralleled by sales of APROPO's contraceptives, which have been stagnant.

3.3 WHAT ARE THE MASS COMMUNICATION STRATEGIES AND HOW EFFECTIVE ARE THEY?

APROPO's current communication strategy, as described in the Year 3 Work Plan, is the following:

- Promote the image of the satisfied user, combatting myths and rumors that inhibit adoption of modern methods and referring users to commercial sources of methods: pharmacies (for temporary methods) and MOH/IPSS/NGOs (for long-term methods).

- **This strategy will develop MC and interpersonal communication activities at the national level, emphasizing areas where there are local family planning communication projects with which APROPO collaborates**

Major activities planned are the following:

- **Combat myths and rumors with information given via TV**
- **Combat myths and rumors via national and local radio.**
- **Combat myths and rumors via interpersonal communication via street theater, associated counseling, and telephone counseling.**
- **Strengthen telephone counseling.**
- **Lobby with the mass media to be given a regular presence on TV, radio, and in the press.**
- **Participate in the family planning communication activities of other institutions as a way of achieving leadership and self-sufficiency.**

Comments

These annual communication strategies are well done, and APROPO staff claim that they are actively used to guide activities. I believe they would be more effective, however, if they were more "behavior-oriented." The Year 4 strategy should include:

- **very specific target segments (e.g., youth 16-19 years old, new pill users, users of traditional methods);**
- **one or two clear statements of the practices the project wants them to adapt;**
- **their current practices;**
- **the major attitudinal barriers standing between the current and desired practices;**
- **other barriers (economic, services or supply availability, national legislation and policy) and what activities the project or others are doing to address them;**
- **the major media, messages, and materials proposed. Messages should be complete (they should advocate a clear behavior, contain appeals, and address the important attitudinal barriers), and they should be transmitted through a variety of media.**

Laying out the communications strategy in such a grid should help focus efforts on behaviors and the major resistances (obstacles) to adaption of the more desirable behaviors. The strategy should be an essential part of the content of the brief that is prepared for an advertising agency.

Before I discovered the existing communication strategies, I had begun to write down some suggestions for APROPO's communications strategy. Since APROPO staff and advisors appear to already be quite familiar with most of my points, I have relegated them to Attachment A.

3.4 WHAT INDICATORS SHOULD BE USED TO MONITOR AND EVALUATE?

The specific indicators to monitor communication activities should be determined by the behavioral objectives for the year's communication strategy. Besides progress in changes in practices, the project should monitor a selected number of key knowledge and attitude indicators that seem essential to the adoption of the desired behaviors (e.g., levels of belief in certain common myths about contraceptives). Routine monitoring should continue to monitor activities and audiences reached, although these may not correlate well with changes in practices. It would be very useful to do real cost-effectiveness assessments, but defining effectiveness in a meaningful and easily measurable is difficult. Unless JHU/PCS or APROPO can devise something better, I suppose that cost per contact or something like that will have to do. All measures should use a standardized methodology for costs that includes staff time.

3.5 WHAT ARE THE MAIN MASS COMMUNICATION ACTIVITIES AND HOW EFFECTIVE ARE THEY?

Below is a description of the main mass communication activities, followed by some comments on their effectiveness. Statistics on these activities are found in Attachment B.

3.5.1 Street Theater

Since 1992, the project has sponsored the creation and performance of three different skits aimed at reducing taboos against talking about sexuality and family planning, providing very basic information on methods, and reducing beliefs in common myths and rumors. APROPO has a full-time activity coordinator and troops of contracted actors or clowns in Lima (2), Huaraz, Tacna, and Puno that give performances in parks, plazas, and institutions, and at special events, fiestas chichas, fiestas populares, and mass weddings. Sections of the play "El circo..." have been performed on the television program *Buenos Dias Peru*. APROPO and Radio Inca recently co-sponsored two fiestas chichas that were attended by 4,500 persons each.

In 1992/93, there were 200 performances which reached approximately 50,000 people. The actors troop in Lima gives eight monthly performances aimed at groups C&D. The Lima actor troop (funded by PL480 funds) gives six monthly presentations to group E. Individual or group counseling is usually offered after performances.

JHU/PCS and APROPO recently prepared an article on the first two years of the street theater ("Street Theater as a Tool to Reduce Family Planning Misinformation," by Thomas Valente, Patricia Poppe, Maria Elena Alva, Rosario Vera de Briceño, and Danielle Cases, draft, June 21, 1994.) This article posits several advantages of street theater: it is a mass media yet it allows immediate feedback and questions; since it is a social event, it implies social acceptance of new/controversial behavior; it is entertaining; it is traditional in Latin America. A composite evaluation based on before and after questionnaires administered at many performances showed an 8.3% decrease in agreement with nine misinformation statements (with no differences by marriage status or contraceptive use, but with more of a change among women and more educated people). The greatest decreases were for agreement that the pill produces cancer, harms the fetus, and affects the nerves.

Another analysis of 30 sets of interviews yielded a decrease in myths concerning the pills, IUDs, and condoms of around 25%. Indicators of the image of pills and condoms did not improve. (paper by DCJ, 7-6-93)

A cost analysis of the street theater calculated a cost per attendee of US\$1.39. This is based on 79 performances and 19,255 attendees. It is not clear what precise costs were included in this calculation ("Costo Efectividad Teatro Callejero, RB, 6-8-93)

Comments

The street theater is an innovative medium that is helping break down taboos on public activities on sexuality and reproductive health. It is usually accompanied by individual counseling. It could probably support APROPO's social marketing if done unobtrusively. It is also relatively costly per person in the project's target group reached. My recommendation is that the street theater continue but that performances be given only where they are expected to reach a large audience (200+). The only exception might be performances for health providers, since their own counseling will have a multiplier effect. Efforts to have skits performed on television should continue.

3.5.2 Pharmacist Training

APROPO has given training courses for pharmacists and pharmacy workers at least since 1992 under the Contraceptive Social Marketing (CSM) component of the Private Commercial Family Planning Project. During the first seven months of 1994, there were 11 courses in Lima and 12 in the provinces, with a total of 1,725 persons attending. Invitations are delivered via the drug companies. 68% of persons attending this year already had taken the course at least once before. The course lasts approximately three hours per day for three days, covering sexuality,

reproductive health, and modern family planning methods. Pre- and post-tests given participants show an average improvement in knowledge from approximately 60% correct to 90% correct. There is a coordinator on the APROPO staff and a number of contracted instructors in Lima and the provinces. For 1992/93, APROPO calculated a cost per participant of US\$13.

Comments

If the CSM component of APROPO is restructured as proposed by the evaluation team, this activity should be terminated, since the promoters will be making regular on-site contact with pharmacists and their assistants.

If CSM continues to operate as it is at present, these courses should continue but with modifications. They should be used much more explicitly to promote APROPO as an organization and APROPO brands. Participants should receive free sample and brochures. They should also receive and be taught the use of counseling materials to help them inform the public about alternative methods, their characteristics, problems and solutions. The SOMARC manual that is now handed out should be evaluated. It does not seem particularly user-friendly for this audience. The teaching methods used in the course observed seemed to be fairly participatory and effective, but reportedly some of the courses, particularly in the provinces, have far too many participants for effective teaching. There should be separate, shorter courses for persons who have already taken the course, with an emphasis on counseling. Finally, APROPO should make specific efforts to reach the many persons invited to a course but who do not attend (often because their bosses will not release them from work).

3.5.3 Counseling Service

APROPO's telephone counseling offers a unique service to Peruvians and also provides useful feedback to APROPO on the public's interests and concerns (for example, many questions are from users who are concerned with secondary effects that were never explained to them). Use of the service has been growing (it now averages 70 to 80 calls per day) and should grow more once APROPO's toll-free line is installed. Counseling is given by two psychologists, one obstetrician, and two social workers. They appear to be excellent counselors, answering questions and concerns in a serious and professional manner. If asked about specific brands, they will suggest APROPO's but otherwise do not promote them.

A quick statistical profile of counselling service from January-July 1994:

- *65% of calls on sexuality, 35% on family planning
- *Of family planning calls, 81% on modern methods, 19% on traditional
- *Of modern, 53.7% pills; 24.2% barrier; of traditional, 88% rhythm.
- *Total calls for 7 months = 7,864
- *All but 1% from Lima area.

- *Main referral sources radio programs - 29.7%, friend - 18.1%, Radio Mar - 13.9%, TV spots - 10.3%
- *Ages - 15-19 - 18%, 20-24 - 44%, 25-29 - 22%
- *73% have children
- *70% are women

The percentage of men went up by 10% following 10-second radio spots broadcast during the World Cup matches. This may signal a significant unmet demand among men for more information.

Comments

The counseling service provides a unique and needed service in Peru and moreover gives APROPO a window on its world through the feedback received from callers. As long as funding is available, it should be continued. If possible, information from callers should be entered directly on a computer instead of on a form by hand. If funding became scarcer, the service could operate with a staff member spending part of her time training and supervising volunteers who would actually staff the phones. Among topics at a recent meeting between APROPO and IPSS was the possibility of APROPO helping IPSS set up telephone counseling. This would be a very useful step, particularly if APROPO could no longer afford the service once USAID funding ends.

3.5.4 Mass Media

a. Regular Media Activities

APROPO has arranged free air time or print space in several places that give mass media exposure to information on sexuality, reproductive health, and family planning. The main cost of these activities is staff time. These include:

- A weekly panel discussion, with clips from the street theater, on "Buenos Dias Peru" on TV5
- A periodic presence on "El Show de Mediodia"
- Beginning in mid-September, APROPO will present a weekly program on sexuality and family planning on Andina TV/Channel 8 in Arequipa. The channel reaches Cuzco, Puno, Juliaca, Moquegua, and Tacna. The format will include street theater, panel discussions, and interviews on the street.
- Weekly presentations on Radio Mar, Radio Moderno, Stereo Villa, Radio National (and soon on other stations).
- Periodic presentations on Channel 4, *Revista Dominical*, and other programs

- Many regular features in print media Q&A column on reproductive health in the Tuesday *Expreso*, another in the magazine *Exito*, "Famous People Talk about Sex" in the Saturday *Expreso*, another page in *Exito*, four columns/ month in the daily *Ojo*.

APROPO staff are aware that they must be sensitive not to use any of their free air time or print space to advertise its social marketing products, as a negative reaction could lead to the loss of these valuable donations.

The project is about to launch a bimonthly newsletter on family planning aimed at health facilities. APROPO staff seemed quite open to my suggestion that the newsletter also cover APROPO's CSM efforts and be sent to all pharmacies.

Another interesting suggestion that emerged from the evaluation team's discussions was that APROPO develop a family planning/reproductive health "news service," feeding available information (not completed stories) to Peruvian media. The sources of the stories could be international computer on-line services that cover such topics as well as journals and newsletters that cover family planning, particularly in Latin America.

b. Mass Media Campaigns

The Project Paper called for APROPO to implement, in coordination with other family planning organizations, a national mass media communications campaign aimed at improving the atmosphere for family planning and promoting adoption of modern methods. After it was realized that the original APROPO budget was insufficient for all of its planned activities, USAID made PL 480 money available (through the Ministry of Economy) to fund mass communication activities. This allowed APROPO to implement a national mass media campaign (with the theme "las tromes") last year and to plan a second campaign for September 1994-March 1995.

It was felt necessary to target the atmosphere for family planning because of active church opposition and because of a disastrous mass media campaign several years ago that likened pregnancies to rabbits' multiplying. Qualitative research showed a public perception that only poor people needed family planning and that modern methods were replete with dangers. Pregnancy and childbirth were associated with very positive emotions.

The las tromes campaigns thus aim to portray a very positive image of family planning users and of family planning giving them control over their lives and the ability to have a better relationship with their husband, enjoy their children, study, work, etc. There is also an emphasis on refuting the many myths and rumors concerning family planning and the need to seek information from a reliable source.

The first campaign (May 1994-March 1995) introduced the "las tromes" (the cool guys or winners) theme and promoted family planning services offered by the MOH, IPSS, and NGOs. According to APROPO's plan for the second campaign, the first one achieved an unusual

collaboration between the MOH and IPSS; disseminated the new image of women who use family planning as modern and self-assured, and achieved a good reach and understanding of the messages. The problems mentioned are poor orientation of service providers, lack of MOH support, many print materials not distributed or used, and the ad agency's inability to devise an acceptable creative approach.

TV, radio, and print materials are now being finalized for "los tromes II" by the Publicistas Associates ad firm. Ninety-second radio programs ("infospots") are being adapted from some excellent longer programs that APROPO staff recorded using a dialogue/interview format. These programs clearly explain the benefits as well as the secondary effects of each method, as well as such important related topics as communication and decision-making by couples. Sixty-second microprogramas for TV are being prepared with a similar format, to be broadcast three times a day, two days a week during the campaign. They mostly concern motivations for and benefits of family planning.

It is worth noting that while the agency is placing the umbrella campaign spot on TV, APROPO itself has placed the radio materials, achieving a very discounted price and avoiding the 15% agency commission.

3.5.5 Training Family Planning Promoters

APROPO staff just completed the first two of three three-day courses to train over 100 family planning promoters from various women's organizations (such as Vaso de Leche, Comedores Populares, and Clubes de Madres) in three areas of Peru (Huaraz and two areas of Lima). In Huaraz, there was a three-day session for 43 trainees (10 periurban, 33 rural) connected with a local NGO (CEDEP). They received an information kit in Spanish (which some wanted in Quechua). Training was also completed in Villa El Salvador.

The idea for this pilot project is that the promoters will simply talk up family planning in their own communities. In Lima, they are also expected to train acquaintances to take up the work of family planning promotion. Promoters will be supervised by the NGO (in Huaraz), MOH, and Apropro, and university students may also be used. Trainees are 25-35 years old in Lima (older in the Sierra). APROPO is working with PRISMA to try to assure a reliable supply of contraceptives in local health facilities.

Comments

Clearly, it is desirable that interpersonal communication complement APROPO's mass media activities. However, while the idea of training leaders of community groups to promote family planning to their friends is an attractive one, it is not clear that this is an appropriate activity for APROPO, an organization with no community outreach. APROPO itself does not have the staff to perform any significant supervision or follow-up following training. My guess is that this model can work well, but only where there is a strong local organization to follow-up and supervision. **This initiative be reconsidered carefully before expansion.**

3.5.6 Preparing Audiovisual Materials for CARE

APROPO has been working with CARE/Peru to strengthen its activities in family planning. APROPO communications staff drafted materials, oversaw pretesting by CARE, and are now revising the materials for use in rural areas where CARE is active. The set includes five versions (for different cultural/geographical areas) of a poster urging couples to request information on family planning from their promoter or health facility, a booklet for potential users (three versions), a flip chart, and a radio spot. Careful pretests of the draft materials indicated numerous changes that are now being made. In keeping with CARE's methodology, the approach of the booklet is "educational" rather than behavior-change oriented (which would emphasize overcoming attitudinal resistances).

3.6 HOW DOES APROPO'S ORGANIZATION AND MANAGEMENT AFFECT THE ACHIEVEMENT OF PROJECT OBJECTIVES?

A common theme of this evaluation is the lack of support in APROPO's structure and activities for promotion and sale of its own social marketing products and the resulting inability to generate funds that would allow the organization to move towards self-sufficiency. Numerous opportunities are missed within the communication activities. For example:

- **Many mass media messages could promote APROPO CSM products.** (This does not mean that specific brands would be advertised but rather that a widespread public recognition of APROPO as an organization working for public health and as a source of good information and products on reproductive health and family planning needs to be built up.)
- **Street theater could be used in a similar way. For examples, large representations of APROPO brands could be incorporated into the skits.**

Several informants talked of failed attempts at better integration of the SM and MC activities. All agree that one major obstacle to integration was SOMARC's insistence on maintaining "its" activities separate in order not to "contaminate" them by integration.

3.6.1 Staffing

The communications unit has a staff of seven full-time personnel. Their titles and duties are the following:

- **Coordinator of Mass Communications (Marilú Wiegold):** coordinates and monitors all MC activities; administers funds; coordinates with ad agencies, CONAPO, and MOH; makes media contacts; supervises all staff in the unit.

- **National Media Coordinator (Susana Mendoza):** places materials in free slots on radio and TV; repackages old radio programs for provincial radio, cuts/produces infospots (mostly radio), tries to build up a network of media professionals interested in family planning, coordinates efforts to improve services providers image.
- **Coordinator, "Animacion Cultural" (Milena Alva)** prepares skits, contracts and manages of troops and performances; with the Coordinator of MC, arranges Teatro en TV in Lima and soon in southern Sierra from channel 8 in Arequipa.
- **Family Planning Counselor (Judith Aguinaga):** works half-time as counselor at animación cultural events; also gives unpaid time to telephone counseling, giving talks in schools, interviews on TV and radio.
- **Chief, Telephone Counseling (Trixi Vargas):** manages, trains, counsels; does regular presentations on TV, radio, and schools; helps train family planning promoters.
- **Counselor (Marta Rodriguez):** counsels; also responsible for relations with MOH, IPSS, and NGOs (inter-institutional relations)
- **Assistant to Coordinator of CM (Mabel Marcuello):** works on promoters training, microprogramas on TV.
- **Secretary, Communication Unit (Esperanza Yauri).**
- **Assistant (David Robles):** half-time.

In addition, there are:

- **Coordinator, PFPIP (Carla Queirolo):** recuts old radio programs to create 12 programs of 10 minutes each (half-time on APROPO, funded by JHU/PCS)
- **Contracted Journalists (Claudia Bayona and Marcela Robles):** prepare regular columns and articles for newspaper and magazines
- **Two interns** who help staff the counseling service.
- **Five troops of actors or clowns** who give one or two performance weekly of one of the APROPO plays.

As far as I could observe and learn, the (all-female) staff is experienced, dedicated and hard-working (10-hour + days seem to be normal). They are somewhat cramped for space and could use more than the two computers at their disposal. The director of the unit is new to APROPO but appears to have quickly become very integrated into the organization and work.

By all appearances, personal and work relationships within the unit are very good. Clearly, this is a committed group.

The research unit is not at present part of the communications unit, but virtually all of its activities support communication activities. This two-person unit has managed dozens of studies (the majority pre-tests of communication materials) and has also conducted several quick assessments of APROPO activities (see Attachment C). For the contracted work, the unit writes the SOWs, participates in the selection of the research company, negotiates the contract, manages the contract, drafts question guides, observes focus group discussions (the most common method used), and assists with the analysis of the findings. The quality of the information gathering appears to be good but some of the analysis is superficial. APROPO should require improvements in this area. The APROPO staff are not research specialists but have learned a great deal through experience and tutoring by JHU/PCS. It is hoped that the research staff will develop excellent statistical and psychological knowledge of APROPO's target groups.

Over the years, the research unit has collected a tremendous amount of quantitative and qualitative information related to family planning in Peru. It should compile and publish summaries of these findings in a non-technical style, distributing them to electronic and print media and family planning and other development organizations.

It is recommended that the research unit be abolished and that its staff of two be placed in the MC unit and the CSM unit. This should help assure appropriate research input into strategies, messages, and materials in both units.

3.6.2 Recommendations

Under the proposed project reorganization, the communications unit would stay in tact, but move under the oversight of the new Program Manager. Given the staff size, it might be useful to group staff by three major activities, with an experienced staff member assuming the task of coordination of each. The mass media group would include staff working with TV, radio, and the press. The small media group would include staff working with street theater, the counseling service, family planning promoter training, and development of materials for NGOs. Finally, there would be a research/evaluation specialist.

Although (due partially to separate funding sources), it is not proposed to place the communications unit under social marketing activities, it is very important that the two units collaborate more consistently than at present. The SMC unit needs the communication unit's input into communication strategy, mass media, print media, and research. APROPO should institute committees or other mechanisms to assure that this occurs.

It is also recommended that the two units agree on a broad communications strategy for all of APROPO (slogans, colors, basic themes) and that both units contract with the same advertising agency. This will facilitate the unified strategy and give the APROPO account more power in the marketplace to obtain discounted air time. Also, more experienced agency staff may be assigned because of the larger size of the APROPO account.

3.6.3 Decision Making

Two problems were noted related to decision-making. First, administrative systems need to be improved so that unit and activity managers have an easier time learning budgetary information (how much has been spent and how much remains). Also, USAID is permitted to approve only specific types of expenses. The lack of discretionary funds or a simple mechanism for unforeseen allocations causes problems.

Second, and probably more seriously, almost everyone in and connected to APROPO (including the advertising firm used by the communication unit) complained of constantly having their decisions second-guessed. For the communications unit, this second-guessing comes from USAID/Lima and JHU/PCS. For example, USAID recently rejected the idea of a couple in bed in a TV spot (although the same idea is currently in the Los Troles II spot). USAID has also instructed APROPO to concentrate on couples (married or in union) rather than younger people or people who may not be part of a couple.

The issue is not the "correctness" of the outside requests or advice but the resentment it may create because APROPO staff do not feel they are free to make their own decisions. It is recommended that there should be a meeting to clarify what outside inputs are "advice" that APROPO must listen to seriously but may not agree with, and what outside instructions must be followed. Certainly APROPO should have the final say when it is merely a question of style or preference.

3.6.4 Delegation

Within the communication unit, there appears to be a healthy delegation of authority. Most of the persons responsible for major activities have been handling these or similar activities for several years.

3.6.5 MIS/Reporting

The communications unit feels that reporting requirements are onerous. Unit staff believe they must submit a monthly narrative report to the Mission, theoretically on the last day of the month. Since activities are occurring on the last day of the month, staff claim that reports are usually submitted "late" the following week. USAID, however, states that it requires most reports only quarterly and that APROPO requires its staff to prepare monthly narrative reports for the APROPO Board.

The quantitative information collected (#s of activities and listeners, e.g. -- see Attachment B) hardly seem important enough to collect monthly. USAID, however, claims that its requirements are only for a quarterly narrative report. If this is the case, APROPO should move to this schedule.

3.7 HOW EFFECTIVE HAS TECHNICAL ASSISTANCE TO THE MASS COMMUNICATION COMPONENT BEEN?

Johns Hopkins University/Population Communication Services (JHU/PCS) has provided regular technical assistance and guidance to mass communications activities -- 26 weeks of international visits since October 1994, as well as support by in-country staff. A Mission buy-in provided \$250,000 for FY1992/FY1993 but a no-cost extension covers through September 1994.

JHU/PCS has worked closely with the communications unit on overall strategy and individual activities, and with the communications and research units on formative, pretesting, and impact evaluation studies. Personal relations between APROPO and JHU/PCS staff have been smooth.

Specific areas of assistance are as follows:

- Designing and implementing the multimedia communication strategy, identifying objectives, primary and secondary target audiences and messages for each population segment.
- Introducing the enter-educate approach to five family planning messages through street theater plays, ten-minute radio programs, 60 and 90-second infospots, and three-minute TV sketches.
- Developing lobbying plans to approach the commercial media and negotiate family planning and sexual education messages in highly rated programs such as *Alo Gisela* free of charge.
- Designing, implementing and evaluating the "Las Tromes" national mass media campaign, giving specific assistance on: (a) developing criteria for advertising and research agency selection; (b) drafting the agency brief; (c) linking campaign efforts to USAID's PFPIP Project; and (d) designing a grassroots women's network to promote family planning.
- Designing audience research studies, pretesting techniques, and hotline data collection.
- Designing and implementing project impact evaluation to measure change in KAP and clinic attendance.

3.7.1 Timeliness

APROPO staff have only mild complaints against the timeliness of JHU/PCS assistance and responsiveness, although USAID claimed there were delays in APROPO receiving the results of the impact evaluation studies

3.7.2 Technology Transfer

JHU/PCS has improved the skills of both research and communication unit staff. Both staff in the research unit were skilled in quantitative methods but not qualitative, but they feel comfortable with the latter now, thanks in part to their interaction with JHU/PCS staff. Three APROPO staff have taken JHU's one-month summer course in Baltimore, and another two attended a workshop on interpersonal communication in Bolivia.

3.7.3 Assessment

APROPO's overall assessment is that JHU/PCS' technical assistance has generally been helpful and responsive and has resulted in increased APROPO staff skills, particularly in the research unit. While the communications director clearly appreciates and wants to continue this technical assistance, she also feels that some of the methodologies used are "academic" and need to be more "operational." (I personally agree with this assessment.) Moreover, as she is very experienced in certain areas of communication, she would like more "autonomy" and less advice on "the smallest details."

The latter problem is difficult to eliminate completely, as any external agency providing technical assistance feels that it will receive credit or blame for the technical quality and effectiveness of the in-country activities, while the implementing organization feels that it is its program and country, and that while it is happy to have advice from an experienced source of technical assistance, it (the implementing group) should be able to make final decisions. Given the experience of most of APROPO's communications staff, it is recommended that JHU/PCS continue to offer its best technical advice but should then allow APROPO to make more final decisions.

The series of five "impact evaluation" studies designed by JHU/PCS frankly do not seem extremely helpful for giving useful feedback to the program. This may be a case of seeking the perfect getting in the way of achieving even the good. These studies use a sophisticated and complex design (with some indicators composed of 20 or more measures) where a simpler one would do. They yield a tremendous amount of information on the esoterica of communication that may be of academic interest but that is not really useful to the program. This approach entailed over 9,000 long quantitative interviews, a not-insignificant cost, and computer analysis of dozens of variables.

JHU/PCS selected this "time series" design, which it has used in many other countries, because various communication activities were beginning at different times. But why the program

need to know so much detail about the impact of even minor activities? Why not use the traditional pretest/post-test design for evaluation (which is being done for the los tromes II campaign) and one or two partially qualitative monitoring studies, with small samples, to get feedback on ongoing activities? The baseline and follow-up surveys would focus on the priority knowledge, attitudes, and behaviors that the campaign strategy was trying to change. This simpler approach would not yield the information on the "hierarchy of effects variables" that the time series does, but it is not clear that the such information really improved the program

It is good to see that the evaluation methodology being used now is simpler and more straightforward: the quantitative baseline and follow-up surveys, the sentinel site clinic statistics, and a clinic-based new acceptors study aimed "to determine if new acceptors are coming to the clinic as a result of: hearing campaign messages, an interpersonal influence that may have been influenced by the campaign, or from a non-campaign related source." ("Evaluation Design Proposal for Peru/APROPO for April 1, 1994 - April 1, 1995, JHU/PCS & APROPO," Draft May 13, 1994)

3.7.4 Recommendations

Overall, JHU/PCS assistance has strengthened APROPO's communication capabilities and effectiveness. Its association with JHU probably raises APROPO's credibility among other organizations in Peru. It is therefore recommended that if funding is available, USAID support continued technical assistance from JHU/PCS, but the frequency of technical assistance visits should be reduced, particularly in 1996, and JHU/PCS should allow APROPO more independence to make its own decisions. APROPO staff should take advantage of educational opportunities through JHU such as the January 1995 communication workshop for the Latin America region.

The following is a tentative plan for JHU assistance from September 1994 to 1995:

Communications Advisor: Two trips of approximately 2 weeks each to: assist APROPO develop a communication strategy for 1995 based on clear behavioral objectives; assist APROPO coordinate with the MOH, IPSS, and other family planning organizations in the preparation of a long-term national family planning communications strategy; assist APROPO plan a network of journalists interested in covering family planning and related topics, including help with obtaining on-line access to Popline and other on-line data bases that cover social/health topics.

Research Advisor: Two trips of 1/2 weeks each to assist APROPO design and analyze the sentinel sites studies and to analyze the baseline and follow-up surveys for the los tromes II campaign.

3.8 HOW SUPPORTIVE HAS USAID/PERU ASSISTANCE BEEN?

This topic is covered elsewhere in this report. Basically, project staff feel that USAID reporting requirements has been too heavy and that USAID has caused delays and extra work by intervening in the details of APROPO's work. USAID feels that it must review materials carefully both because they are sometimes contain technical inaccuracies and because USAID must be politically sensitive not to offend important groups in Peru. Clearly, both parties (and also JHU/PCS) need to work out some jointly agreeable procedures for review. One excellent recommendation that came up in the evaluation team's discussions was to have Schering's Medical Advisor review all draft materials for technical accuracy.

3.9 WHAT ARE THE MAJOR STRENGTHS AND WEAKNESSES OF THE MASS COMMUNICATION ACTIVITIES?

Clearly, the major strength of the mass communication activities are the experienced and committed staff who carry them out. Many individual activities, such as the radio infospots and the counseling service, seem very well done. Some major weaknesses, described elsewhere in this report, include: objectives that have changed over time; good communications strategies but ones that have been too oriented to communication objectives rather than behavioral ones; poor integration with the project's CSM activities; and very importantly, the inability to establish simple feedback/evaluation mechanisms that would give the project (and its funder) at least a rough idea of its impact on family planning uptake and continuation.

3.10 WHAT ARE THE MAIN RECOMMENDATIONS FOR MASS COMMUNICATION?

3.10.1 Objectives

It is recommended that USAID and APROPO agree on clear, realistic objectives for the remainder of the project and that these not be changed again. Three MC objectives that may be suggested are:

- increased % of sexually active couples who use modern contraceptives;
- increased % of users of temporary modern methods continue to use them; and
- increased ability of APROPO to plan, execute, and evaluate effective communication activities.

3.10.2 Communications Strategy

It is recommended that APROPO prepare its communication strategy for Year 4 using a format that highlight behavioral objectives and obstacles to overcoming them. This should help focus efforts on behaviors and the major resistances (obstacles) to adaption of the more desirable

behaviors rather than on communication objectives. APROPO staff should take the lead in preparing this strategy. JHU/PCS' role should be to give feedback.

3.10.3 Indicators for Monitoring and Evaluation

The main indicators for monitoring and evaluation should be the specific KAP on which the Year 4 strategy focusses. Information on activities completed and audience reached should still be recorded but should not be considered as primary indicators of effectiveness. Monitoring and evaluation methods should continue to be simplified and made more operational and amount of data measured should be reduced.

3.10.4 Specific Communication Activities

Street theater performances should be given only where they are expected to reach a large audience (200+).

If the Social Marketing of Contraceptives component of APROPO is restructured as proposed by the evaluation team, training courses for pharmacists should be terminated, since the promoters will be making regular on-site contact with pharmacists and their assistants.

APROPO should continue the counseling service. In the long run, however, APROPO should consider trying to move it to an institution that has more secure long-term funding.

APROPO should develop a family planning/reproductive health "news service," feeding stories to Peruvian media.

APROPO should carefully evaluate the training of family planning promoters -- its cost-effectiveness and the drain on staff time -- before considering expansion.

3.10.5 Staff Organization/Management

The communications unit should maintain its current staff as long as funding is available. If funding is reduced (e.g., PL480 money were reduced or unavailable), activities and staff should be reduced using cost-effectiveness criteria.

One member of the research staff should become part of the communication unit and the other part of CSM.

The two units must become more mutually supportive. It is suggested that both use the same ad agency and agree on a broad umbrella strategy for communication.

APROPO's administrative staff must give the communication unit director more complete and updated budget information and also access to a discretionary fund for small, unforeseen expenses

In the next 60 days, APROPO, USAID, and JHU/PCS should clarify mechanisms for input into materials. It is recommended that Schering's Medical Advisor review all materials for technical content

In the next 30 days, USAID and APROPO should meeting to clarify reporting requirements.

3.10 6 Technical Assistance

It is recommended that if funding is available, USAID should support continued technical assistance from JHU/PCS but the frequency of technical assistance visits should be reduced, particularly in 1996, and JHU/PCS should allow APROPO more independence to make its own decisions. APROPO staff should take advantage of educational opportunities through JHU such as the January 1995 communication workshop for the Latin America region.

Attachment A

Suggestions for APROPO's Communication Strategy

Based on admittedly limited information, I would like to make some suggestions for APROPO's communications strategy. The basis for these suggestions is information contained in the 1991/1992 DHS (ENDES II), as well as comments of knowledgeable people. The first point to note is that the great majority of sexually active women in Peru are using some contraceptive method (only 13% of women in union are not according to DHS), although at least half are using traditional methods (rhythm, withdrawal, and others). It is also interesting to note that three times more women are limiters (want to have no more children) than spacers. Another important point is the failure rates for various methods during the past five years: 5-10% for many modern methods but 50% for rhythm and almost 40% for withdrawal. A final point is the very high dropout rate for temporary modern methods -- over 50% in the first six months.

Insights from APROPO's qualitative (focus group) research enriches this information. Couples are motivated to plan their families for many reasons but the predominant one is economic. (It is possible that this motivation would weaken if economic conditions improved.) There are indeed many myths and rumors that prevent the adoption or continuation of modern methods, so clearly APROPO's strategy is on target in addressing these. Many men do not feel a strong sense of responsibility, and their lack of cooperation with traditional methods is one reason for their high failure rates. On the other hand, some women feel that the rhythm method is desirable because their husband must cooperate for it to work, and also it gives them times when they don't have to worry about their men's sexual advances.

One interesting point that emerges from several sources is that the desire for family planning among the public is fairly universal. As one focus group summary for women 20-30 years old in Lima put it: "There already exists a highly favorable attitude toward family planning, but it is accompanied by a rejection of contraceptive methods." To me, this would indicate that messages should put less emphasis on all the reasons why one should want to use family planning and more emphasis on the image, safety, and effectiveness of modern contraceptives.

Based on this information, several segments of the general target population emerge as meriting their own communication strategies:

- users of traditional methods, whom the project should try to convert to users of modern methods (or as a second choice, as more effective traditional users);
- new acceptors of temporary modern methods;
- youngsters entering their sexually active years;
- men; and

- **politicians and other opinion leaders.**

Some major message themes (some of which are already used) would be:

1. **To make an informed choice about family planning, you need complete, accurate information based on facts -- not myths and rumors. Call the APROPO counseling service or get an APROPO brochure at a pharmacy near you and/or talk to a medical professional (not just to family and friends).**
2. **If you want to feel secure in your family planning method, use a modern one rather than a traditional one (which may work sometimes but which leaves you feeling insecure)**
3. **APROPO is dedicated to maintaining your health. Buy APROPO brands of contraceptives at pharmacies everywhere.**
4. **If you're using a modern method, make sure a pharmacist or medical professional gives you a very good orientation and that you talk over any concerns or doubts.**
5. **Take control of your life - be a trome.**
6. **Men shouldn't been macho jerks -- they share the responsibility.**

To the extent possible, APROPO should coordinate with other organizations to improve the quality of information, counseling, and contraceptive services to complete the communications (demand) activities. One possibility is to prepare counseling materials to aid pharmacy workers in giving more complete and consistent information and in responding to questions and doubts.

Two final suggestions:

- **I would incorporate the testimonies of satisfied users more into radio materials and even longer TV formats.**
- **Messages should take more advantage of the great credibility that doctors have to use them as sources of authority.**

Attachment B Mass Communication Activities in 1994

	Septiembre 1993	Octubre 1993	Noviembre 1993	Diciembre 1993	Enero 1994	Febrero 1994	Marzo 1994	Abril 1994	Mayo 1994	Junio 1994	Julio 1994	Agosto 1994	TOTAL
Activación Cultural													
Teatro													
- N° de presentaciones	8	8	2	4	6	8	7	7	7	3	2		62
- N° de espectadores	2,430	1,200	150	320	1,320	1,240	1,320	1,607	2,000	43	370		12,432
- N° de amasijas para	776	412	-	-	118	166	1,144	61	1,250	0	0		3,927
- N° Material distribuido	800	600	150	600	3,040	2,880	3,740	2,300	23,000	0	370		39,480
- N° de amasijas inf.			20	20	33	0	31	0	0	0	39		143
Parques													
- N° de presentaciones	0	0	2	4	0	0	0	3	3	7	3		22
- N° de espectadores	0	0	80	620	0	0	0	320	6,080	130	4,600		12,030
- N° de amasijas para	0	0	30	184	0	0	0	0	80	0	100		414
- N° Material distribuido	0	0	1,000	600	0	0	0	750	4,000	200	4,500		11,250
- N° de amasijas inf.	0	0	15	10	0	0	0	0	796	0	160		981
Teatro en T.V.													
- N° de presentaciones	1	1	1	-	0	0		1	0	1	1		6
- N° de espectadores (miles)	600	800	800	-	0	0		800	0	159	159		3,318
- N° de Temas	1	1	1	-	0	0		1	0	1	1		6
- N° de Guiones	1	1	1	-	0	0		1	0	1	1		6
- N° de amasijas inf.	80	120	42	12	22	14	12	0	0	0	106		408
Colegios Universidades Institutos													
- N° de obras	1	0	3	-	0	1	2	1	0	3	1		12
- N° de participantes	610	0	200	-	0	8,080	120	60	0	280	63		9,413
- N° de amasijas para	610	0	25	-	0	0	12	3	0	10	12		674
- N° Material distribuido	0	0	60	400	0	160		100	0	150	130		1,000
- N° de amasijas inf.	0	0	-	-	0	0		41	0	33	39		133
Servicio Informativo													
Presentaciones en T.V.													
- N° de presentaciones	-	-	3	4	0	0		0	1	4	2		16
- N° de espectadores (miles)	-	-	-	0	0	0		0	1,296	734	267		2,397
- N° de Temas	-	-	3	4	0	0		0	1	4	2		16
- N° de amasijas inf.	-	-	-	60	34	46	338	22	11	293	143		849
Presentaciones en Radio													
- N° de presentaciones	-	-	-	-	0	2	2	4	9	12	5		34
- N° de oyentes	-	-	-	-	0	0	160	0	213				373
- N° de Temas	-	-	-	-	0	0	2	4	9	12	5		32
- N° de amasijas inf.	-	-	-	-	0	0	142	211	208	501	523		1,783
Radiomar													
- N° de presentaciones	-	-	-	-	-	-	-	-	-	4	4		8
- N° de oyentes (miles)	-	-	-	-	-	-	-	-	-				0
- N° de Temas	-	-	-	-	-	-	-	-	-	4	4		8
- N° de amasijas inf.	-	-	-	-	-	-	-	-	-	229	140		369
Interspous													
- N° de presentaciones	150	150	150	150	0	44	102	80	32	40	2		900
- N° de oyentes (miles)	400	400	400	400	0	100	360	0	175				2,235
- N° de Temas	4	4	4	4	0	0	6	6	4	3	2		37
- N° de amasijas inf.	430	450	214	148	134	169	323	340	488	229	140		3,089
Comunicando													
- N° de presentaciones	2	2	2	1	3	2	2	1	0	1	0		16
- N° de oyentes (miles)	400	400	400	200	600	400	400	0	0	200	0		3,000
- N° de Temas	2	2	2	1	3	2	2	1	0	1	0		16
- N° de amasijas inf.			29	6	0	33	33	10	7	2	2		126
Prrens Escrits													
- N° de Artículos	9	9	6	3	4	4	4	3	3	3	8		60
- N° de Lecturas (miles)	200	200	200	210	250	250	250	300	300	210	300		2,670
- N° de Temas	11	11	8	8	8	0	7	8	3	6	16		88
- N° de amasijas inf.	40	50	188	120	124	89	82	75	68	53	116		1,009
Consejería Telefónica													
- N° de llamadas	874	743	813	589	593	829	1,143	1,250	1,350	1,493	1,204		10,883
Fortalecimiento Institución													
- N° de eventos	2	1	7	5	2	0		1	1	1	2		22
- N° de coordinaciones	4	3	6	10	12	15	78	13	15	7	8		171

**Attachment C
Apropro's Research Activities**

FECHA	ESTUDIO	RESPONSABLE	LEC DE RESULTADOS
MAY 92	EVALUACION TIFA COMICA "ANITA"	APROPO	COMUNICACION MASIVA PFC
MAY 92	PRE-TESTEO PARA "ENTRAL "NO EMPUJEN"	PAMS	COMUNICACION MASIVA PFC
ABRIL	RE-EVALUACION DE LOS CURAS RADIALES	APROPO	COMUNICACION MASIVA PFC
JUN 92	ESTUDIO CUALITATIVO DEL PUBLICO OBJETIVO CON RESPECTO AL PRODUCTO DE PREVIREO	IMASEN	PSC-PFC DISEÑO DEL SISTEMA PREVIREO
	ESTUDIO SOBRE ACTITUD DE LOS EMPRESARIOS CON RESPECTO A LOS BENEFICIOS SOCIALES Y LA PF	ESAN	PSC-PFC DISEÑO DEL SISTEMA PREVIREO
	PRE-TESTEO DEL BROCHURE PARA USUARIOS DEL PRODUCTO "PREVIREO"	1/2 DE MARKETING	MATERIAL PROMOCION PSC-PFC
	PRE-TESTEO DEL BROCHURE PARA EMPRESARIOS DEL PRODUCTO "PREVIREO"	APROPO	MATERIAL PROMOCION PSC-PFC
	PRE-TESTEO DE CURAS RADIALES Y AVISO DE PRENSA DE "PREVIREO"	APROPO	MATERIAL PROMOCION Y PUBLICIDAD PSC-PFC
	PRE-TESTEO DE COMERCIALES DE NORDETTE, MICROGYNON Y LOROPHYN	DENEB	MSA-PFC
	POST-TESTEO DE COMERCIALES DE NORDETTE, MICROGYNON Y LOROPHYN	DENEB	MSA-PFC
	ESTUDIO PARA ESTRATEGIA COMUNICACIONAL	IMASEN	COMUNICACION MASIVA - PFC
	ESTUDIO PARA ESTRATEGIA COMUNICACIONAL DID	IMASEN	COMUNICACION MASIVA - PFC ESTUDIO DE AUDIENCIA
SET 92	ESTUDIO DE INTERCEPCION DE USUARIAS DE MICROGYNON	1/2 DE MARKETING	MSA PFC
OCT 92	NORDETTE, LOROPHYN, DEPO-PROVERA Y NO USUARIAS		
FEB 93	INFORME DE LA CONSEJERIA LINEA DE BASE	APROPO	COMUNICACION MASIVA - PFC
MAR 93	ESTUDIO DE BASE - RECOPIACION	APROPO	CAMPANA NACIONAL DE PF TRONES I
MAR 93	ESTUDIO EXPLORATORIO EN IQUITOS, CUICO Y LIMA	IMASEN	CAMPANA NACIONAL DE PF TRONES I ESTUDIO DE AUDIENCIA
AGO 92	EVALUACION DE CAMPANA DE COMUNICACION EN MEDIOS MAYOS	APOYO	PFC Y CAMPANA NACIONAL DE COMUNICACION TRONES I
DIC 92	(PIURA, TRUJILLO, AREQUIPA, LIMA Y CUICO)		
JUN 92	PRE-TESTEO DEL AFICHE DE MITOS Y RUNORES	APROPO	COMUNICACION MASIVA PFC (APOYO A LA OBRA DE TEATRO)

NOV 80	ENCUESTO DE MARQUE DE CONDOMES PIEL. DI. Y PANTHER	APROPO	PROYECTO CONDOMES
NOV 80	EVALUACION DEL MICROPROGRAMA DE TRAJES	IMAGEN	COMUNICACION MASIVA PFC
NOV 80	INVESTIGACION CUALITATIVA SOBRE LA SERIE GRAFICA "ANITA Y SU FAMILIA"	IMAGEN	JOHNS HOPKINS, EVALUACION DE LA HISTORIETA "ANITA" Y EL PERSONAJE PARA PROMOVERLO MASIVAMENTE
NOV 80	PRE-TESTES EN ANIMATICS DE LOS SPOTS DE LAS TROMES DEL AFICHE "LIMA Y CHICAO"	IMAGEN	CAMPANA NACIONAL DE PF
NOV 80	POST-TESTES DE LOS SPOTS DE LAS TROMES	IMAGEN	CAMPANA NACIONAL DE PF
NOV 80	EVALUACION DE IMPACTO DE LA OBRA DE TEATRO "DON VICTOR CONTRA PUNCEES"	APROPO	IMPACTO DE LA OBRA DE TEATRO EN LOS MITOS Y RUMORES DE LOS ESPECTADORES (COMUNICACION MASIVA PFC)
MAY 81	PRE-TESTES DE LOGO Y MARCA DE PRESERVATIVOS	DENER	PROYECTO CONDOMES
MAY 81	RECOLECCION DE MITOS Y RUMORES SOBRE LA PF Y METODOS ANTICONCEPTIVOS	APROPO	CAMPANA NACIONAL DE PF TROMES I - GUIONES PARA RADIO
SEP 81	ESTUDIO DE INTERCEPCION DE USUARIAS DE MICROGYNON	1/2 DE MARKETING	NSA - PFC
NOV 81	USUARIAS: MICROGYNON, DEPO-PROVERA, CONDOMES Y NO USUARIAS		
NOV 81	PRE-TESTES DE EMPAQUE	DATUM	PROYECTO CONDOMES
DIC 81	ESTUDIO DE AUDIENCIA Y ACTITUDES HACIA LA PF EN EL NSE "E" (CAJAMARCA, PIURA, CHIMBOTE, AYACUCHO E IQUITOS)	APROPO	PROYECTO PNP - CARE
FEB 82	PRE-TESTES DEL VOLANTE DE CONSEJERIA TELEFONICA	APROPO	PROMOCION DE CONSEJERIA TELEFONICA COMUNICACION MASIVA - PFC
MAR 82	EVALUACION DE LA PERCEPCION DE APROPO Y DE LA CAMPANA DE LAS TROMES POR LOS PROVEEDORES DE SALUD	APROPO	CAMPANA NACIONAL DE PF TROMES I
MAY 82	VALIDACION DE AFICHE, CURA RADIAL, FOLLETO GENERICO Y FOLLETO APROPO DE PILDORA EN EL NSE "E" (CAJAMARCA, PIURA, CHIMBOTE, AYACUCHO E IQUITOS)		PROYECTO PNP - CARE
MAY 82	INVESTIGACION CUALITATIVA SOBRE AUTOESTIMA EN NSE "E"	APROPO	CAMPANA NACIONAL DE PF TROMES II
JUN 82	PRE-TESTES EN ANIMATICS CONDOM PIEL	NAVETICA	PROYECTO CONDOMES
SEP 82	PRE-TESTES DE COMERCIAL DE MICROGYNON	IMAGEN	NSA - PFC
OCT 82	PRE-TESTES DE SCRIPT DE MICROGYNON	APROPO	NSA - PFC
ENE 83	PRE-TESTES EN ANIMATICO DE MICROGYNON	IMAGEN	NSA - PFC
FEB 83	POST-TESTES DE MICROGYNON	IMAGEN	NSA - PFC
MAR 83	ENCUESTO DE USO DE CONDOM EN LOS RECLUTAS DE LA MARINA	APROPO	PERFIL DE USUARIOS DE GRUPO OBJETIVO

	ESTUDIO SENTINELA PARA EVALUACION DE ASISTENCIA A CENTROS DE SALUD MOTIVADO POR LA CAMPAÑA DE LA TROMES	APROPO	CAMPAÑA NACIONAL DE PF TROMES I
101 84	PRE-TESTES PARA TEATRO "EL CIEGO DE LAS DUDAS / LOS ANCIOS"	DENER	PFC - COMUNICACION MASIVA
102 84	PRE-TESTES DE MICROPROGRAMA TELEVISIVO (FORMATO COLECTIVO)	DENER	PFC - COMUNICACION MASIVA
103 84	PRE-TESTES DE GUIONES DE SIETE MICROPROGRAMAS TELEVISIVOS	IMASEN	GUIONES PFC - COMUNICACION MASIVA
104 84	ESTUDIO DE AUDIENCIA GRUPO OBJETIVO E	IMASEN	CAMPAÑA NACIONAL DE PF TROMES II
105 84	PRE-TESTES DE ANIMACIÓN TROMES II EVALUACION DE CAMPAÑA DE COMUNICACION EN MEDIOS MASIVOS	IMASEN	CAMPAÑA NACIONAL DE PF TROMES II
106 84	EVALUACION DE IMPACTO DE LA CAMPAÑA DE PF	MAYEUTICA	CAMPAÑA NACIONAL DE PF TROMES II

**Attachment D
List of Main Persons Interviewed**

USAID

**Maria Angélica Borneck, Project Manager PFPIP Project
Paul Cohn, Director, HPN Office
Susan Brems, Deputy Director, HPN Office
Tom Morris, Population Advisor, Office of Population, A.I.D./W
Gloria Nichtawitz, Coordinator, Private Voluntary Services Expansion Project**

APROPO

**Carola La Rosa de Luque, Project Director
Marilyn Wiegold U., Director, Communications Unit
Ana Teresa de Petch, Director, Social Marketing of Contraceptives Unit
Rosario Vera de Briceño, Director, Research Unit
Milena Alva, Animacion Cultural, Infospots, CARE materials
Mabel Marcuelo, Family Planning Promoters, Microprogramas
Trixi Vargas, Telephone Counseling
Marta Rodriguez, Telephone Counseling
Nieves Altamirano, Trainer**

JHU/PCS

Patricia Poppe, Communications Advisor

Publicistas Asociados

Rafael Leon & other staff

ProPeru

**Eduardo Soto Pella, Account Executive
Arabella Krateil F., Creative Director**

McCann-Erickson

Francisco Garcia-Huidobro T., General Manager

Imasen

Giovanna Peñaflor, focus group moderator

Attachment E
Partial List of Documents Consulted

Plans

- "Peru Project Paper Private Commercial Family Planning," USAID/Peru, August 1991.
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- "Informe de Actividades. Proyecto PFC. Comunicación Masiva. 1994." (Monthly Reports)
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- "Informe del Año 1. Setiembre 1991 - Agosto 1992," APROPO, Setiembre 1992.
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- "Entrenamiento MSA-1994. Resumen del Avance de Actividades," Nieves Altamirano P., August 1, 1994.
- "Informe Final del Curso del Curso de Entrenamiento. MSA 92 - II93. Seguridad y Tecnología Anticonceptiva," Nieves Altamirano P.
- "Estrategia Animación Cultural. Participación de los grupos de teatro de Lima, Huaraz-Chimbote, Moquegua-Tacna, y Puno."
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- "Promotoras de Base de Planificación Familiar."

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"Trip Report: Defining Evaluation Plans for the 1994-1995 Communication Interventions in Peru" (May 16-23), Thomas Valente, JHU/PCS.

"Evaluation Design Proposal for Peru/APROPO," JHU/PCS & APROPO, draft, May 13, 1994.

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"Pre-Test Cualitativo Espacio Consulta sobre Planificación Familiar y Sexualidad. 'Trixy.' Informe Final," Imasen, June 1993.

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"Informe de Pre-Testeo de Materiales de CARE. Ficha Técnica." APROPO (Depto. de Investigación) y Proyecto CARE - PMP.

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Miscellaneous

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**"Scope of Work. Technical Assistance to the Commercial Family Planning Project in Peru,"
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Memoria '93, APROPO.

**Chapter 4:
PROJECT MANAGEMENT AND ADMINISTRATION**

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This chapter focusses on question 6 from the scope of work: Are the organization and management of the project and of its host institution contributing and facilitating the achievement of project objectives?

4.1 Institutional Organization

APROPO has an energetic staff carrying out many activities that appear to be unfocussed and which do not make a clear contribution to APROPO's common goals. More effective supervision and a clear definition of each area, its goals, objectives and procedures is needed to ensure a better contribution to the common goal.

APROPO has a traditional managerial structure, with a General Assembly of Affiliated Members (Asociados) that meets annually. This group elects a Board of Directors and appoints external auditors, among other tasks. The affiliated members can be either persons or institutions, and they can also be Asociado Cooperador (who make some financial contributions) or Asociado Promotor (who carry out promotional and information activities).

The Board of Directors (Consejo Directivo) has from six to eight members who are elected for one-year periods, but reelection is allowed. The Board should meet at least monthly. There is also an Advisory Committee comprised of the past presidents of the Board of APROPO and/or other distinguished board members. One of the Board members is elected as Treasurer and he/she must, among other duties, sign all checks and inform the Board about the financial matters of APROPO.

Although the Board meets regularly, and its members receive financial and statistical information, they have little understanding of the project's problems and how activities are related to goals. The information emphasizes activities carried out, and APROPO regularly has many activities to report, but little analysis is made on how they relate to project and institutional goals.

RECOMMENDATION: To insure more active participation of the Board of Directors in the project, USAID should request that the Board actively discuss and then approve the contract. For monitoring purposes, and to ensure accountability of the General Manager to Board, Board approval of quarterly reports could also be required. Mechanisms such as newsletters and meetings could ensure regular and periodic information to the Board as well as to all APROPO affiliates.

A General Manager (Gerente General) is appointed by the Board of Directors. It is interesting to note that in the statutes it is not clear who appoints the General Manager, so it could be the Board of Directors or the Assembly. The senior staff is appointed by the General Manager, but likewise, this is not clear in the statutes, and they could be appointed by the Board (see 5 of Titulo IX - about the General Manager).

For all practical purposes the legal representative of APROPO is the General Manager, but this is not clear in the statutes, as in No 14 of Art 41 Title VI As related to the Board of Directors (page 21) the legal representative is the Board, while in Art. 50, No. 1 of Title IX as related to the Manager, the General Manager is the legal representative.

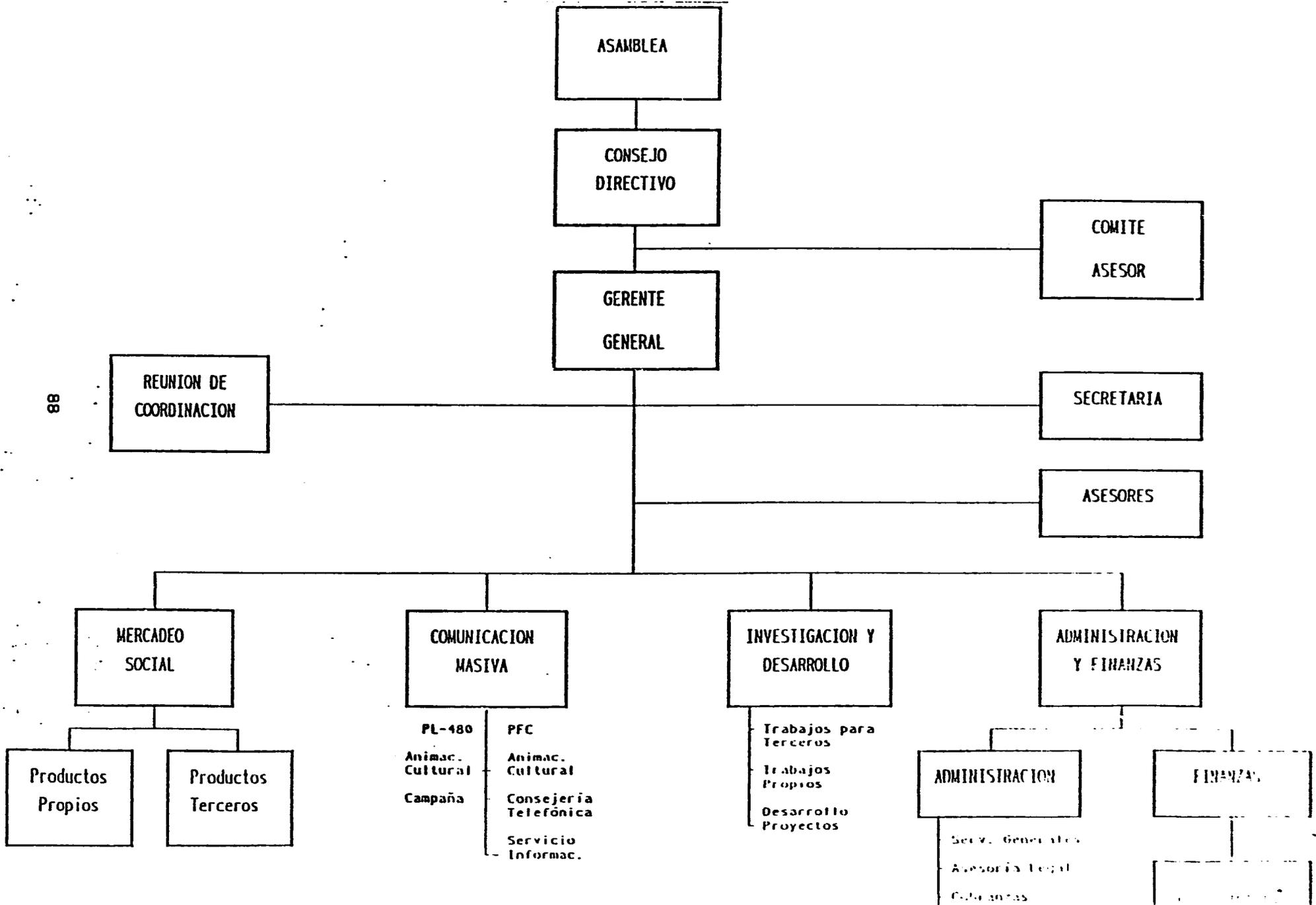
RECOMMENDATION: Aspects related to the statutes, such as the legal representation of the Institution and the appointment of the General Manager should be clarified by the Board of Directors of APROPO based on recommendations from its legal advisor. The General Manager should follow up this task and propose clarifications by the end of 1994.

The managerial structure of APROPO, as presented to the evaluation team through several organizational charts and discussions, is not clear, and the staff seems not to have a clear and consistent interpretation of how the institution works and what the lines of authority and responsibility are: this is not even clear to some members of the senior staff.

The lack of clarity in the structure of APROPO can be explained by the many changes that have taken place in the personnel (turnover) and in the managerial structure of APROPO. Many proposals have been made to change APROPO's organization, and the proliferation of charts and proposals is creating confusion among the personnel. Proposals remain in abeyance without being approved, rejected or revised. APROPO's staff are not sure what the real structure is.

The present managerial structure of APROPO, as understood by the evaluation team, is reflected in Chart #1 - **PRESENT MANAGERIAL STRUCTURE OF APROPO**, presented on the next page.

CHART I PRESENT MANAGERIAL STRUCTURE



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At the time of the evaluation, some changes are taking place. The position of Financial and Administrative Manager has been created, and a candidate has been selected, but there is no clear job description nor an understanding of the effect of this new position on the structure of APROPO. The addition of a Financial and Administrative Manager requires a clear definition of what is going to happen to the present staff and what his role and functions are going to be. At the moment, there is some confusion about this.

As the new position will affect the organization (particularly the administrative and accounting areas), a trial period is recommended, so that APROPO can evaluate the new Financial and Administrative Manager. This will allow the General Manager to decide if the candidate is the right person without the risk of replacing two positions. The shorter the trial period, the better.

RECOMMENDATION: As an initial step, during a trial period, the Financial and Administrative Manager should coordinate and supervise the accounting and administrative areas, while the present administrator and accountant continue to work in their respective areas for a limited time, probably for a maximum of three months. At the end of the trial period, the new manager should take over the two areas, and due to budgetary restrictions, the old administrator and accountant should leave APROPO or at least the administrative area. If the new manager does not prove to be capable filling the position, a new candidate should be selected and hired while the present administrator and accountant continue to work. The General Manager of APROPO should carry out this recommendation, and the Financial and Administrative Manager should be in place before the end of 1994.

Considering the number of vouchers processed daily (an average of about 20), a total of 45 employees (including part-time actors), and a very limited scope of operations, the addition of permanent personnel in the managerial area is not considered justified, nor cost efficient.

RECOMMENDATION: A clear definition of the managerial structure and organization chart should be made. Discussion and clarification of this structure should take place at all levels, but mainly at the executive staff level, to ensure a clear understanding and acceptance. New positions such as the Administrative and Financial Manager should have clear job descriptions, and their effect on the organization should be analyzed. The General Manager should provide the job descriptions and additional material required, and final approval of USAID should take place before the end of 1994.

4.2 Human Resources

APROPO has a total staff of 37 employees, with 8 more in the process of being hired. The staff is comprised of an interesting group of people, mainly females, with a high level of education, particularly at the senior staff level, where English is spoken fluently. No clear and updated job descriptions are available.

Some members of the staff have been with APROPO for many years, but most senior staff have been at APROPO for less than one year.

RECOMMENDATION: The Financial and Administrative Manager, during his first quarter of operation, should develop a proposal to be approved by the General Manager and Board of Directors with the job description and job requirements for every position in APROPO. This should be approved before the end of 1994.

4.2.1 Personnel Policies

There is no personnel department. Personnel policies have been developed over the years, but they are dispersed in many documents and files. Previous personnel policies were contained in Acuerdo A.34 from 1991, Acuerdo A.27 and Acuerdo A.32 from 1992. APROPO has developed a draft personnel policy (discussed with the Board of Directors on November 30, 1993 and sent to USAID/Peru on December 6, 1993), but it has not been approved or implemented. This personnel policy was requested by USAID/Peru in order to better meet the needs of APROPO, given the number of its projects and staff.

The new proposed policy includes an analysis of the managerial structure and functions of APROPO, but not job descriptions, job classifications and an incentive structure, including criteria for evaluating and managing personnel. The proposed policy is based on management by objectives, managerial and financial flexibility, scale of responsibilities, sustainability of APROPO, rewarding of efficiency, and automatic salary increases. Positions are classified in seven categories, each with 12 levels or grades. APROPO is considering incentives based on personal characteristics (attributes), on productivity, project development and institutional goal achievements.

The proposed personnel policy implies many changes in the APROPO's managerial style and structure, a clear definition of objectives (if management by objectives is to be instituted), a clear definition of the role of each area and project, and stronger, "modern" supervision. Mere approval of the document, however, will not have a real impact on the efficiency of the organization. This should be considered before the new policy is approved.

RECOMMENDATION: The General Manager should review the proposed personnel policy both with USAID (as remuneration and incentives are involved). She should then submit a final proposal for review by the Board of Directors before the end of November of 1994. A new personnel management policy, approved both by the Board and USAID, should be in effect before the end of 1994.

4.3 Financial Management

APROPO's financial management, as analyzed in other sections of this report, is not one of the strongest areas of the institution. In order to support the General Manager and to develop a solid financial structure and the financial management of APROPO, a new Financial and Administrative Manager is being hired

This is one area where clear procedures and job descriptions are needed. The financial area seems to be overstaffed, particularly the four employees who handle APROPO's payroll (for a total staff of 45, including the eight selected but not yet hired), and the number of vouchers processed daily (less than 20).

Financial and accounting records are two months late, although monthly reports are presented to the Board.

There is no cost accounting structure. To introduce new cost accounting procedures, the present accounting code will have to be modified, which will have an important impact on the reporting system. The development of a cost accounting system is absolutely necessary for all managerial decisions and for all price and cost indicators.

Ing. Alejandro Chang, the Treasurer and Board Member, an industrial engineer who is providing consultancy services, free of charge, to the General Manager, is reviewing and improving procedures related to payments. Mr. Chang has also offered to review other areas, beginning with managerial and administrative procedures. The objective is to solve operational problems and strengthen the management and effectiveness of APROPO. This review will probably recommend a clearer organization and also a reduction in personnel. Any personnel reduction will be better accepted by the personnel, as it will be evident that some personnel will not be necessary. This sequence was considered interesting and acceptable, and it is recommended that the services and advice of Ing. Chang continue to be used by the Financial and Administrative Manager in this revision and development of procedures.

RECOMMENDATION: The Financial and Administrative Manager, during his first quarter of operation, should oversee the development of a cost accounting system and financial system proposal to be approved by the General Manager, the Board of Directors, and USAID, as required. The new system should be approved before the end of 1994 and be in operation for 1995.

4.4 Staffing

The eight new workers will bring APROPO's total staff to 45 by the end of August 1994, distributed as follows:

2 in General Management
11 in Administration and Accounting
2 in Research
5 in Social Marketing
17 in Mass Communication (includes one shared data entry clerk)
8 in " " (being hired)

Given the characteristics of Peru's employment laws and APROPO's many different contracts, it was not easy to determine if this is the exact number of employees. This would require a complete audit, which is not the purpose of the evaluation. Initially, the team believed there was a total staff of 36, but later it was learned that Claudia Bayona, a part-time staff member had been contracted in November 1993 but was not included in the July 1994 personnel list. This omission raises the question of accuracy in the reports.

According to the type of contract and who is providing the funds for the payment of the workers, the distribution could be as follows:

Permanent workers covered with APROPO budget	5
" " from the condom program	1
" " from the project	7
Fix-term contract " " "	7
" " contract " " " (artists)	4
" " contract Ministry of Economics and Finance	11
Other (PFPIP)	1
Total	36

Some workers receive a salary funded by more than one source.

As mentioned in the discussion of APROPO's organization, there is no a personnel department nor a personnel manager, and these functions are performed by several people in different areas, with records in different files.

APROPO's staff have very clear characteristics:

- All senior staff are females, except for the new Administrative and Financial Manager, who is a man. Some are very young and have little experience in family planning.

- Although some staff have been with APROPO for many years, most senior staff are new (e.g., the Mass Communications Manager has just three months with the institution and the Administrative and Financial Manager is just beginning work)

RECOMMENDATION: Staffing requirements of APROPO should be determined, based on the revised organizational structure, procedures and job descriptions. The General Manager should determine the staffing requirements of APROPO by the end of the first quarter of 1995.

4.4.1 Turnover

High turnover of personnel was identified, indicating institutional and/or personnel management problems. In the last few months the following personnel left APROPO:

- Marketing Manager (93)
- Senior Researcher (93)
- Mass Communication Manager (94)
- Coordinator of condom sales (94)
- Administrative assistant (94)
- 2 secretaries (94)
- Trainer (94)

For senior staff only, there was 100% turnover. This necessarily affects project performance and indicates a personnel management problem that should be analyzed by the General Manager. Three important factors, mentioned to explain turnover were remuneration, personalities, and relations with the international consultants and USAID in the approval procedures for activities, expenses and advertisements.

RECOMMENDATION: The causes of turnover should be determined and corrective action instituted in relation to salaries, frustration in dealing with internal and external procedures, consultants or other factors identified. The General Manager should have a clear analysis of reasons why staff left APROPO during the last two years, and incorporate the results of this study into the personnel policy mentioned above. As suggested earlier, a personnel policy should be in effect before the end of 1994.

4.4.2 Over/Understaffing

Without clear procedures and job descriptions, it is difficult to determine any over- or understaffing of APROPO.

General Management. Staffing of the General Management is at a minimum considering there is a full time General Manager and a secretary shared by the General Manager and the Senior Researcher. The relation between staffing and functions/activities could be improved; e.g., the General Manager could have a much more active role in the supervision of the senior staff,

offering much clearer guidance on objectives and activities. Another task needing the General Manager's attention is the development of financial resources and sustainability for APROPO.

One of the main reasons for hiring the new Financial and Administrative Manager is to allow the General Manager to delegate many of the minor chores she now has. From the simple observation of the accounting and administrative areas, it appears that they could be more efficiently organized, with clearer job descriptions, the setting of goals and a closer supervision by the General Manager. The development of job descriptions and requirements and staff evaluations will serve as useful tools in the development of the new organization.

Management (Administration and Accounting). A total of 11 workers in these areas seems to be excessive, considering that there will be a total of 45 employees (for personnel management purposes), an average of 20 vouchers per day, and limited purchases and sales of contraceptives. Here again, job descriptions and procedures will certainly help rationalize the use of personnel.

Research. The evaluation team did not reach a consensus concerning the research staff. Some members felt that all research activities should be contracted with outside firms or researchers and that the Senior Researcher could act as an assistant to the General Manager, doing research as required. Another possibility is that the two researchers could be split between the CSM and MC units. The team did agree that APROPO does not need a separate research unit.

4.5 Decision Making

The decision-making process seems to be based more on the experience and intuition of the managers and their ability to convince the General Manager, than on technical data or research findings. USAID, SOMARC and JHU/PCS also have important influences on many decisions.

The contract, project paper and workplans called for several studies such as marketing studies, demand studies, price studies, studies to determine target population, distribution studies, studies to determine advertising campaigns, studies to determine political changes, price changes and other possible products. Only some of these studies were carried out, and their findings were not well used for managerial and decision making purposes.

It is interesting to note that in a letter to USAID/Peru dated July 10, 1992, SOMARC considered it unnecessary to determine the potential market for contraceptive social marketing. The reasoning behind this is certainly not clear.

Recommendations and comments related to technical assistance are given below.

4.6 Delegation

There is a high level of delegation in APROPO, mainly from the General Manager to the managers in the different areas. There are no formal delegation procedures, and most communication is verbal, without written confirmation. There are no minutes from coordinating committee meetings. Delegation is only formal when related to the Board of Directors and then recorded in the official minutes of such meetings. There are no specific limits on managers' authority to approve specific transactions.

Other forms of delegation exist in the Project. USAID delegates much technical assistance to the consultant agencies but at the same time, it oversees all agreements between organizations related to the project.

Due to the many managerial, technical and financial decisions, the several institutions involved (USAID, APROPO, consultants), and some of the problems faced in the past, a very complex and time consuming process takes place for the approval of plans, activities, procedures and/or expenses.

RECOMMENDATION: The General Manager of APROPO should develop a proposal for a clear and functional procedure to coordinate activities of APROPO with USAID, consultants such as SOMARC and Johns Hopkins. This proposal should be presented to USAID before the end of October 1994. Based on this proposal, procedures should be agreed to by all the related institutions and put in writing by the General Manager. This will clarify the authority and responsibility of each institution, and the procedures for the approval and implementation of activities, advertisements, expenses, programs or whatever element must be approved. This document should be approved by the institutions before the end of 1994.

4.7 Planning

The project paper and contract contained many clear plans for the project. In practice, some of these activities have been expanded (e.g., the PL480 funding for the mass communication program), others have been reduced or even canceled (the entire CSD component), and still others have been changed. These changes are affecting the financial structure of the project, but a new budget has not been developed or updated.

The many changes that have taken place make it difficult not only to identify project activities but also their budgets and objectives. These many changes have resulted in an outdated budget that is clear neither to USAID nor APROPO, limiting their use of budgetary control mechanisms. The weak accounting system does not provide updated financial and cost accounting information.

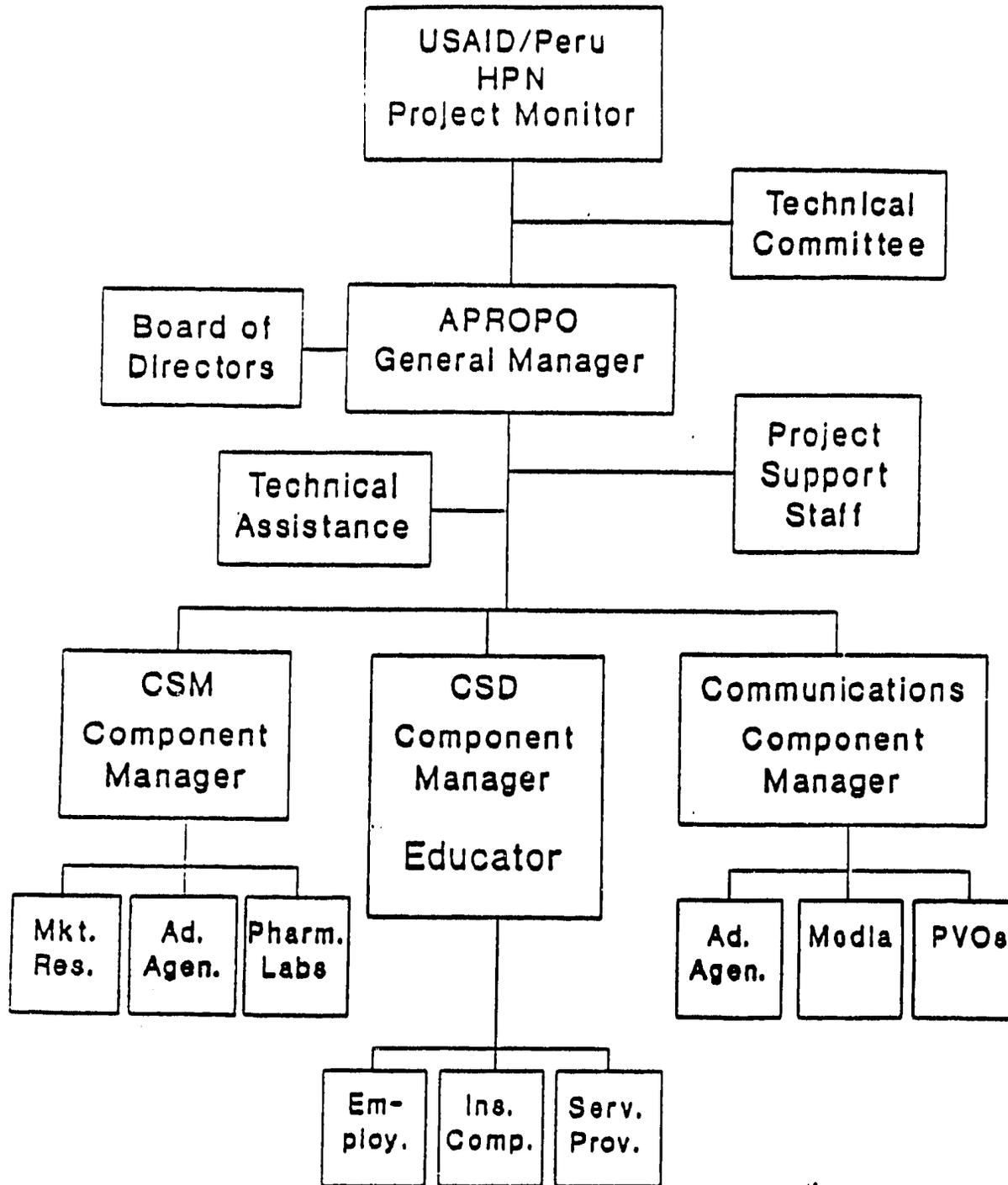
RECOMMENDATION: The General Manager should develop a detailed workplan for 1995 and a less detailed plan until the end of the project. The proposal, including a draft budget, should be presented to USAID before the end of October 1994. Based on the workplan and budget proposal, USAID should make recommendations incorporating the many changes that have taken place and those foreseen for the near future. Once the workplan and budget are approved by USAID, it should develop a new contract or amend the old one. This should take place by the end of 1994. The advantages of a contract against a cooperative agreement should be considered.

As a lessons learned exercise, it would be interesting to analyze why the detailed and comprehensive plan developed for this project was not followed to guide action in the first place and for control purposes in the second place.

Chart #2 (see following page), the project's organizational structure included in the contract, shows how detailed the plan was. In the contract, it is clear that the General Manager is responsible to USAID/Peru-HPN Project Monitor and to the Technical Committee.

The workplans developed do not show short-term goals or objectives, making monitoring almost impossible as there is no basis for comparison. Even long-term goals are not clear.

CHART II ORGANIZATIONAL STRUCTURE AS DESIGNED IN
THE PROJECT AGREEMENT



RECOMMENDATION: To facilitate monitoring of future project activities, all workplans should include short-term goals and benchmarks for monthly and quarterly periods, and monitoring should take place immediately after the period considered. The General Manager should have a monitoring system in place before the end of 1994, and USAID should monitor and review APROPO and project activities monthly and quarterly beginning in January 1995. The General Manager should prepare monthly monitoring reports, comparing accomplishments with goals.

Management by objectives, mentioned in the proposed personnel policies, could certainly provide an interesting managerial tool that would complement the development of benchmarks and goals mentioned in the previous paragraph. Objectives should be developed as soon as possible, because management by objectives will work only if there is a set of well-planned activities that can be monitored.

4.8 Administrative System

There are many management policies, mainly related to personnel, in minutes, correspondence and memos, sets or manuals of policy and procedures statements. They are not easy to use because there is no summary manual or index.

RECOMMENDATION: By the end of the first quarter of 1995, the Financial and Administrative Manager should prepare a proposal for a formal policy manual covering administrative and financial procedures. The basis for much of this can be all the information available in minutes, correspondence and memos. The proposal should be presented to the General Manager and should be approved and in use by June 1995.

APROPO's administrative system is based on close personal relations between the General Manager and the senior staff, with a high level of delegation. The General Manager's managerial style requires a mature organization, but this is not the case of APROPO, where most senior staff are new. Other personnel have been with the institution for longer periods but also require close supervision and guidance.

4.9 MIS/Reporting

There is no list of the reports produced by APROPO, nor an inventory of who is responsible for preparing various reports or a schedule. Although APROPO staff prepare varied reports, the information is seldom analyzed or utilized for managerial decision making and planning.

The management information system (MIS) is focusses on the balance sheet and the financial reports and on the activities carried out by the project and the institution.

RECOMMENDATION: A management information system should be developed by the new Financial and Administrative Manager, in coordination with the General Manager and senior staff. The identification of managerial needs at the different levels should be determined by the Financial and Administrative Manager by the end of October 1994, and a MIS should be in operation by the end of 1994.

4.10 Commercial Service Delivery Component

One factor adding to the confusion in the management of the project is the "disappearance" of the Commercial Service Delivery (CSD) component. This is a reality, but no official decision has been conveyed to APROPO's personnel. The CSD component has not been canceled, as reflected in the financial reports where cost for this component is still accounted for and affects the distribution of costs and cost indicators.

The evaluation team was not able to examine the history of CSD in detail. It was an important activity in the Project Paper and in the contract. It was offered to APROPO, and the institution was interested in the developing this component. Promotion took place, but the services offered were not accepted by the employers. All the people interviewed agreed that the economic conditions in Peru at the time of the promotion were not (and are not) the best to promote additional expenses from employers, when they are worried about their economic survival.

Although samples of the promotional material and correspondence are available, no document was found that analyzes the failure of the CSD component. Success and failure should be documented, in order to duplicate success and to avoid failure.

RECOMMENDATION. The General Manager should arrange for the people most familiar with the component to prepare a short document on lessons learned, with a description of actions carried out, results from these actions, and causes of the failure. This short document should be delivered to USAID by the end of October 1994.

It is interesting to note that PRISMA, a Peruvian organization, developed a small activity in this same line with one mining company. APROPO participated in the initial contacts with PRISMA and the mining company, but early in the process APROPO's representatives were no longer interested and they stopped attending meetings, according to PRISMA.

For all practical purposes, the evaluation team considers the CSD component to be canceled, both from the managerial and financial points of view.

RECOMMENDATION: A clear definition of the situation of the CSD component, its effect on the project's budget, on the managerial and accounting structure, and on the organizational chart should be made mainly at the executive staff level, to ensure that USAID procedures are followed and the status is officially acknowledged. As the funding for CSD should be used in other project activities, the need for a new work plan and for a

new budget is reinforced. The General Manager should present a proposal to USAID before the end of September 1994, and USAID should define its position before the end of 1994, if possible.

4.11 Coordination

The project paper and contract cover both internal and external coordination activities -- internal coordination to ensure that all units of APROPO contribute to the common goal and external coordination to ensure that opportunities are not missed to extend the benefits of the project through collaboration with other institutions in Peru.

4.11.1 Internal Coordination

For coordination and information purposes, APROPO has developed a coordinating committee, comprised of the six senior staff members (the General Manager, the Administrator, the Accountant, the Senior Investigator, the Communications Manager and the Social Marketing Manager). The committee meets every Monday morning or at the next possible date to share information and to coordinate activities. Meetings are very informal meeting, without a clear definition of purpose, agenda, minutes or system to keep track or follow up decisions.

It is clear that there is little coordination and cooperation among the different areas and projects and that there is a great need for more effective internal coordination. For instance, the Social Marketing and the Mass Communication areas do not share the common goal of increasing social marketing sales, and some of this can be explained by the little communication that takes place between them.

RECOMMENDATION: The General Manager should develop formal procedures for the coordinating committee, including agendas, minutes and follow-up mechanisms, to ensure that what is discussed or agreed in the meeting is used for practical purposes of reaching the goals and objectives of the institution; otherwise, the meeting will end as another informal talk. Supervision and follow-up by the General Manager is also required. This should be instituted immediately.

4.11.2 External Coordination

Efforts and contacts have been made by APROPO's General Manager and by other staff to coordinate activities with other PVOs and governmental organizations. APROPO attends inter-institutional meetings, and the General Manager is to attend the international meeting in Cairo as part of the Peruvian delegation.

It is not easy to coordinate family planning activities in Peru or in any other part of the world. Each institution tries to develop its own materials, campaigns and services, duplicating cost and efforts; but certainly the mandate of the project includes coordination of actions with other PVOs and governmental institutions.

RECOMMENDATION: A plan to reinforce APROPO's efforts in the external coordination should be developed by the General Manager and presented to the Board of Directors and USAID before the end of 1994. This plan should include specific short-term goals and benchmarks and reporting requirements. The Board of Directors should monitor implementation.

4.12 Role of Each Area and Contribution to the Common Goal

The goal and objectives of APROPO and of each component are not clear, which limits the contribution of each unit to the common goal. Even with the coordinating committee, some activities require a clearer attitude of cooperation, understanding and sharing of common goals. Mass Communication and Social Marketing should work together in order to ensure that the communications of one serves and promotes the objectives of the other. This requires not only changes in the structure, but also in the definition, understanding and sharing of common goals, and certainly greater direction and supervision from the General Manager.

RECOMMENDATION: The General Manager should provide a clear definition of each area and its role in reaching the goal of the project and of APROPO. This contribution to the general goal of the project and APROPO should be enforced by the definition of each area, the managerial structure and how they relate to the organization. Supervision (in the modern sense, to include planning, education and personnel development, evaluation, monitoring and supervision of activities) should be enforced, mainly by the General Manager. Discussion and clarification of this structure and the role of each area should take place at all levels, but mainly at the executive staff level, to ensure a clear understanding and acceptance. A program to cover this areas is to be developed by the General Manager, and it should be implemented before the end of 1994.

When analyzing the role of each area and its contribution to the common goal, it was interesting to observe that there is little contact between APROPO and the General Assembly of Affiliated Members or with the Advisory Committee, limiting the contribution of these two bodies, in ideas, support and funding. Affiliated Members are important opinion and business leaders with many open doors to the government and industry. They seem to be very interested in APROPO and in population matters, but they do not know how to contribute and have little knowledge of the institution and its problems or of the population problem and programs in Peru.

An independent fund, ruled by the Board of APROPO but outside of the project budget or control, is needed to facilitate the general management of the institution and to cover certain expenses not authorized by USAID. If Affiliated Members could contribute to such a fund, this would both solve a funding problem and also could help in securing a closer relation and contact with APROPO's members.

The possibility of the independent fund was explored with some members of the Board and the Advisory Committee (Past Presidents of the institution). Although a difficult task, it was considered possible if the proper person was to request the contribution. Using a professional fund-raiser who receives a percentage of the donations collected could be the best means to build such a fund. The General Manager is to present a proposal at the next Board Meeting.

The possibility of some Affiliated Members "investing" in the social marketing program was also explored, but this was not considered feasible.

To collect the information from the Board and the Advisory Committee, contacts were held with Ing. Alberto Vera La Rosa, Ing. Enrique Escardó, Lawyer Fernando Malaga (President of the Board), Ing. Alberto Sacio, Ing. Alejandro Chang, Mr. Leo Fernandez and Ing. Ernesto Baerth, all Affiliated Members.

RECOMMENDATION: The General Manager, with the support from Mass Communications, should develop a newsletter and/or other means to maintain personal contact with APROPO's affiliates, by the end of 1994, as this could facilitate valuable support from the Affiliated Members.

Board Members seem to be very much interested in APROPO and population activities. They know about activities and receive a two months old (trial) balance sheet every month when they meet, but they do not have a clear idea of project or institutional objectives or how is APROPO performing in relation to those objectives.

Probably the General Manager devotes too much time to urgent matters and regular institutional "housekeeping," but not enough time on important matters and supervision. The institution and its personnel are always busy carrying out activities, but sometimes without the necessary guidance and supervision to ensure that these activities contribute to the general goals of APROPO and the project.

The project contract states that: "APROPO's General Manager will devote the majority of her time to strengthening the agency's financial and technical status, to building coalitions with public, NGO and PVO organizations and to adopting a leadership role in family planning in Peru...." Certainly some of this has been accomplished, but more effort should be devoted to these areas and less to minor chores of the daily operation.

The new senior staff have great potential but require guidance to understand the institution and the project and "to belong" to it before they can effectively contribute to the common goals of APROPO and the project.

4.13 Recommended Organizational Changes

In order to support the General Manager and to permit her to devote more time to the important matters of APROPO, one of the alternatives considered and the one that the evaluation team recommends is to have a second in command, a Project Director (see chart). Moreover, a change of attitude of the General Manager is needed if she is to provide the necessary guidance and supervision to the institution. It should be her job to keep staff focussed on reaching important goals.

Many alternative organizational structures and charts have been analyzed by the evaluation team.

As one author puts it, organizational charts are like the turtle's shell, that just hides what is inside the animal. The proposed chart is no exception, it should be complemented by clear planning, determination of institutional and project objectives and goals, and job descriptions; and certainly, it should be adjusted to reflect the institution's personality and the people involved. The comments below are intended to explain the proposed organization:

4.13.1 A number-two person, a Project Manager, was considered necessary to take over many activities that now are taking most of the General Manager's time. This will allow the General Manager to concentrate on important matters such as supervision of managers, definition and supervision of goals and project activities, coordination with other institutions, and securing long-term funding for APROPO.

This second-in-command should be very experienced in management and have a clear understanding of marketing and communications. The person should have a "strong" personality and be observedly business-like and competent.

The Project Director and the number-two person could be the same Social Marketing Manager some time in the future, but given the limited life of the project (two years) and the lack of experience of the present Social Marketing Manager, an additional person was considered necessary.

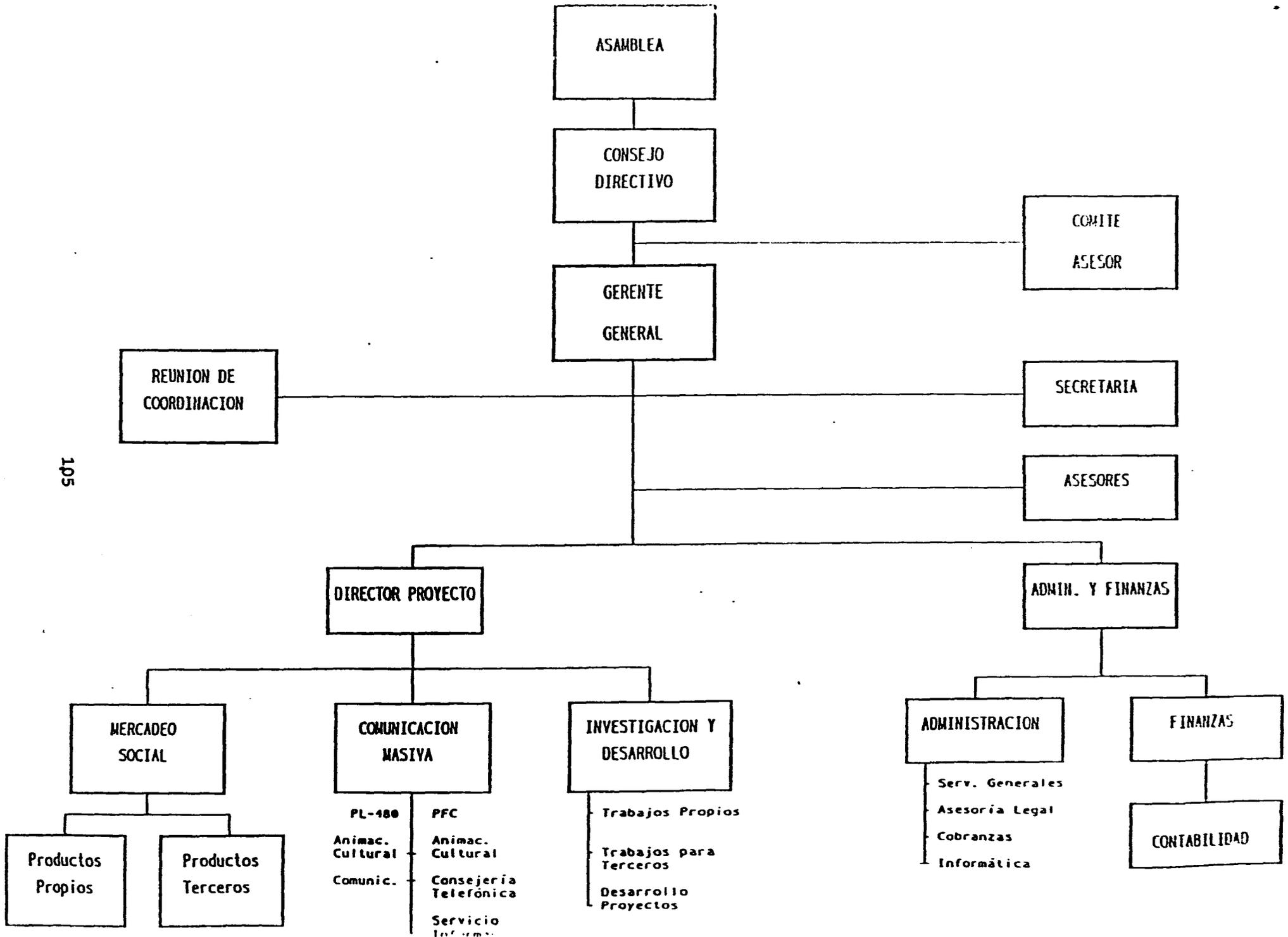
4.13.2 As most of the research is contracted outside of APROPO and the use of the information generated is limited, a research unit was not considered necessary for the project. (See 6.d. above.)

RECOMMENDATION: Before the end of September 1994, the MC Manager should develop a clear job description for the researcher with a workplan to cover her activities for 1995. Monthly reports on activities and quarterly evaluations of the activities carried out by the researcher, as reported monthly by the MC Manager, should determine the need and continuity of this position.

4 13 3 The new Financial and Administrative Manager, serving under the General Manager, should ensure monitoring of the Project Director's activities. His staff should be limited to an accountant assistant, an administrative assistant and a secretary. The Administrative and Financial Manager will be at the same organizational level as the Project Director.

Under the present structure, there is no one person or group of persons in charge of the personnel area. There is no personnel department, even as a part-time activity. Different employees deal with different areas of personnel management, but no one is responsible for the total operation of personnel management. The files, records and contracts of personnel are in three areas: administration, accounting, and secretary of the General Manager. If the job description allows, the secretary of the Financial and Administrative Manager could act as personnel manager. Given the limited number of personnel activities, this activity should take only a few hours a week.

CHART 111 PROPOSED MANAGERIAL STRUCTURE



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4.13.4 The CSD component should be formally canceled for administrative, accounting and auditing purposes, following USAID's required procedures.

4.13.5 The Social Marketing Manager will supervise four areas: Promoters (to include eight to ten promoters), Pharmacy Relations, Condom Sales (to cover sales of APROPO's condoms mainly through distributors) and IUD Sales.

4.13.6 The MC Manager will manage the project's mass media and communication program. This unit will include five sections and one secretary. The sections are the hotline/telephone counseling service, street theater, mass communications and materials development and the research. See Chapter 3 for more detail on these activities and personnel.

4.13.7 Except for one of the Board Members who is appointed as Treasurer, for practical purposes there is no staff in charge of payments and receipt of funds. This function is carried out by the administration and accounting areas. The tasks of writing checks and registering the information in the accounting system should not be carried out by the same person. **Someone not connected to registering payments or receipts should be appointed cashier. Given the limited number of payments, this is an activity that should only take a few hours a week.**

4.14 Technical Assistance Coordination

Although external to APROPO, three additional actors play important roles in the development of the Private Commercial Family Planning Project:

- USAID
- SOMARC
- JHU/PCS

APROPO claims that even small details must be approved by USAID and SOMARC, in the case of social marketing, and by USAID and JHU/PCS, in the case of mass communication. APROPO also claims that this approval is taking a very long time.

SOMARC plays two distinct roles in APROPO. For the social marketing activities, SOMARC is just a consultant or advisor with no managerial power, but for the condoms program SOMARC is funding the activity and has the power to approve or disapprove any expense.

SOMARC believes that it does not have to approve all decisions and that many of APROPO's activities are not presented to USAID or to SOMARC for approval (USAID agrees with this statement).

The evaluation team analyzed the approval of the marketing program was analyzed with the representative of SOMARC. The results from this analysis show that:

- The proposal presented by APROPO was incomplete and included inconsistent information and mathematical errors.
- The plan is dated June 2, 1994 and was received by Dario Mejia (SOMARC representative) on June 7. At that time, he was traveling and latter had a surgical procedure that kept him away of the office for about six weeks.
- Letter 086 dated July 5 was received by SOMARC on July 18 and answered on July 23.
- Letter 088 dated July 15 was received by SOMARC on July 22 and answered on July 23.
- Letter 097 dated July 18 was received by SOMARC on July 22 and answered on July 23.

The SOMARC representative considers that some of the delay was due to his health problem, but that most of the delay was due to APROPO's delay in providing data. When the information was provided, it was not up to the normal standards. When reviewed, the data were not consistent, and there were many mistakes in dates and figures (mathematical errors). SOMARC insisted, with good reason, that to review data for consistency of dates and quantities is not and should not be SOMARC's role. SOMARC feels that APROPO should submit good data, at least without mathematical errors, and with good explanatory information.

The situation with JHU/PCS is less conflicting, but response time is also considered to delay the project's activities.

USAID, as a funding agency, has good reasons to request information and to have approve expenses. The one who gives the money sets the rules. In any case, USAID agrees with SOMARC that in many cases APROPO does not ask for approval of expensive activities but then requests approval for minor expenses and activities. All of this affects project management and the relations among persons and institutions.

In the Mass Communication activity, there are funds (and regulations) from the project and from PL480.

RECOMMENDATION: Knowing the interest and commitment of USAID to this project, a clear definition of the roles of APROPO, of USAID, of SOMARC, of JHU/PCS or of any other institution that will work with the project is needed. A clear definition of their authority and responsibility, management, approval procedures, reporting and control requirements should be made.

Some of the senior staff members feel frustrated. They claim not to have the needed authority to manage, as most decisions must be approved by USAID and SOMARC or Johns

Hopkins A lot of conflicting opinions about this issue were expressed by various parties. Clearly, USAID and APROPO need to define the problem clearly and propose and institute solutions that are acceptable to all groups involved.

RECOMMENDATION: A clear coordinating mechanism should be developed with the two consultant groups (SOMARC and Johns Hopkins) to ensure an efficient operation of their assistance. A clear definition of the procedures, authority and responsibilities of managers and of USAID will help to secure a more efficient and effective operation.

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1. Informe de Consejería Telefónica, 1er Semestre, Año III - APROPO
2. Indicadores de Evaluación - APROPO, febrero 1994
3. Informe Proyecto PFC Año I - APROPO
4. Informe Proyecto PFC - setiembre 93-febrero 94
5. Programación de Insumos (1994): MINSAs (Ministerio de Salud)
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6. Informe Proyecto PFC setiembre 92-agosto 93, Año II - APROPO
7. Contribuciones de productos MSA - Año I y II - Proyecto PFC 01/20/94
8. Contrato de Colaboración Schering - APROPO
9. Contrato de Colaboración Spedrog - APROPO
10. Contrato Multifarma - APROPO
11. Contrato UpJohn - APROPO
12. Indicadores de Evaluación - junio 1994
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14. Indicadores de Evaluación - agosto 1992
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17. Percepción sobre Beneficios Sociales para directivos de la empresa - Escuela de Administración de Negocios para Graduados (ESAN), Lima - 4/26/92
18. Financial plan and amendment of Cooperative Agreement, USAID - 3/31/92
19. Cash flow - APROPO, September, 1993
20. Cronograma de Actividades PFC, setiembre 1991 - agosto 1992 - APROPO

21. **Plan de Trabajo del Año II - PFC, setiembre 1992-agosto 1993, 8/19/92 - APROPO**
22. **Ventas y contribuciones generadas por los laboratorios MSA - 1994 - APROPO**
23. **Gastos MSA Años I y II - APROPO 9/10/93**
24. **Posicionamiento de marcas en el sector comercial 1984 - 1993 - APROPO**
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27. **Proyecto PFC - Gastos Años I, II, III mayo 1994 por componente técnico, APROPO - 7/5/94**
28. **Gastos efectuados 01/09/91 al 06/30/94 APROPO 07/13/94**
29. **Ventas Reales últimos 5 años**
Microgynon
Nordette
Lorophyn
Depoprovera
30. **Agreement No. 527-0326-A-00-1257-00 USAID, 8/30/91**
31. **Memoria 1993 - APROPO**
32. **Peru Project Paper - Project 527-0326 Private Commercial Family Planning USAID 01/24/91**
33. **Estatuto - APROPO, setiembre, 1992**

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FINANCIAL MANAGEMENT

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5.1 External and Internal Factors that Influence Project Performance

When the CFP Project began in September 1991, the implementing agency, APROPO, already carried a debt of US\$53,710. This debt should have been paid off at that time through contributions from its associates: the project itself would not generate funds during the first months, until after agreements were reached with the pharmaceutical companies, insurance companies or private firms which required direct services. Neither the project's cooperative agreement nor the project paper states clearly the scope for APROPO's contribution during this initial stage.

The lack of its own resources for discretionary use at the beginning of the project obliged APROPO's administration to use project funds for purposes other than intended (misallocation), such as repairs, maintenance expenses and minor purchases. Even though most of these expenses were necessary, they were not eligible for reimbursement under USAID regulations.

There are still no discretionary funds for unforeseen expenses. This could give APROPO some spending flexibility and reduce instances of USAID disallowing reimbursement of expenses incurred by APROPO.

In other cases, expenditures have been out of sync with receipt of funds. For this reason, APROPO incurred bank overdrafts and commercial drafts which produced interest and financial expenses for almost US\$5,360 that could not be covered by USAID.

The lack of non-project resources and the inadequate programming of cash flow caused the improper use of US\$26,771 for the Plan Condones project. These funds have now been reimbursed, but should have not been used without USAID's previous written authorization. An additional US\$13,574.94 was initially found ineligible by USAID and a final decision is pending.

Such practices by APROPO are not new to USAID accounting personnel. It represents a continuation of practices already observed in a former project. In other words, first using funds and then submitting them to see if they are reimbursable. This practice has created negative feelings among Mission staff and has to be modified by APROPO.

There is no cost accounting system for specific product lines or components. Only a few months ago, accounting data were still being reentered in order to be classified by technical component. This seems to arise from the project's financial plan, which was elaborated with a generic scope for maximum flexibility since there was not enough information at the time to schedule component costs. However, during the first year of project performance, there was enough experience to revise the financial plan. At that time, APROPO should have proposed a restructured budget.

Another factor influencing project performance has been a certain misunderstanding of the role of technical assistance. Activities performed by project components should be known and approved by technical advisors, as requested by USAID. Nevertheless, in the case of the CSM component, SOMARC has had a slow and cumbersome process -- cumbersome because the scope of approval and follow-up was not clearly defined; slow because of poor communication among APROPO, USAID and SOMARC.

In the original budget, the promotion and advertising of CSM and CSD components were concentrated in the Mass Communication (MC) component. Later, the CSD component became inactive. Thus, successive modifications have overtaken the original budget.

Table 1 compares the original budget with the resulting modifications that are still pending approval.

TABLE 1 CHANGES IN FINANCIAL PLAN
US Dollars

	<u>Original Budget</u>	<u>Resulting Modifications Pending of Approval</u>
CSM	232,076	2'301,700
CSD	232,076	228,300
MC	2'748,500	1'192,000
ODC	769,215	300,000
AC	156,633	250,000
Audit	0	21,000
T/A	653,500	623,000*
A&Eval.	208,000	84,000 *
Total	5'000,000	5'000,000

* NOTE: The Audit and Evaluation components for technical assistance were initially managed by USAID/Washington. Afterwards, the funds for auditing were reclassified and are now under APROPO's administration.

Despite these modifications, a revised budget has not yet been approved. Table 2 shows the actual expenditures from September 1, 1991 to July 31, 1994 resulting from de facto modifications, compared to the original budget for the same period, excluding USAID/Washington-administrated funds (thus covering only the budget expenses managed by APROPO). By the end of PY3, APROPO had spent 63% of the total contract budget, which is in proportion with project calendar and time elapsed, showing a good expenditure capacity.

TABLE 2 BUDGET EXECUTION AS AT JULY 31st, 1994
US Dollars

	<u>Original Budget</u> <u>Years 1 to 3</u>	<u>Actual Expenses</u> <u>as at 31 Jul 94</u>	<u>Estimated</u> <u>Aug 94</u>
Year 1	820,709	764,057.67	
Year 2	1'034,865	1'051,606.78	
Year 3	944,774	772,873.09	112,655
Total	2'800,348	2'588,537.54	112,655

Table 3 presents the actual expenditure per technical component as at July 31, 1994. This modifications are still to be formally reprogrammed.

TABLE 3 EXPENDITURES STRUCTURE
Thousands of US Dollars

ODC+					
	CSM	CSD	MC	AC	Total
Publicity	732 30%	35			767
Promotion	210 25%	29	406		645
Training	108 4%		1		109
Research	83 6%	8	52	5	148
Salaries	108 21%	101	95	238	542
Sundries	54 14%	54	51	218	377
TOTAL	1'295 100	227	605	461	2'588

Table 4 presents expenditure projected until August 31, 1994; the total amount budgeted is presented until PY3 with the hypothetical budget reclassification for the same period. The actual expenditure shows that the CSM component has overspent by 32%, even though the total amount represents 95% of the revised budget for same period.

TABLE 4 BUDGET EXECUTION AS AT 31 AGO 94
US Dollars

	<u>Modified Budget</u>	<u>Exp. to Date as at Year 3</u>	<u>Remaining Budget Years 4 + 5</u>
CSM	1'055,097	1'394,649	907,048
CSD	228,302	228,302	
MC	986,511	611,196	580,804
ODC	300,965	262,472	37,528
AC	208,473	197,285	52,715
Audit.	<u>21,000</u>	<u>7,288</u>	<u>13,712</u>
Subtotal	2'800,348	2'701,192	1'591,808
T/A	404,934	339,868	283,132
Evaluation	<u>46,000</u>	<u>46,000</u>	<u>38,000</u>
Total	3'251,282	3'087,060	1'912,940

Although the level of expenditure for the time elapsed is on schedule, the resulting income generated by project activities is only 66% of the level anticipated. Table 5 shows both pharmaceutical company commissions and other contributions.

TABLE 5 INCOME GENERATION
US Dollars

	<u>Original Budget</u>	<u>Actual Income</u>		<u>Total</u>
		<u>Commissions</u>	<u>Other Contributions</u>	
Year 1	50,820	39,190	17,594	56,784
Year 2	109,812	91,755	77,678	169,433
Year 3	166,784	105,484	52,651	158,135
Total	327,416	236,429	149,923	384,352

Although the total income covers current APROPO needs, income generated from drug company commissions is insufficient to guarantee APROPO's self-sustainability at the end of the project. Furthermore, stagnant sales concern the companies involved in the social marketing program, and one of them, Multifarma-Wyeth, has left the program. Actual sales and company contributions are detailed in Annex 1.

As a result of the project's 1992 CSM promotional campaign, Multifarma obtained sales growth of its product Nordette, increasing from 5,700 cycles before the project to an average of 11,500 cycles per month. However, sales level have remained stagnant since this campaign, which caused Multifarma to pull out when it expected no further benefit from the program.

Schering's case is different since its product Microgynon is the leader of the market. It is interested in maintaining its sales level in spite of the unfavorable economic conditions, as discussed below. In the case of Upjohn, its product DepoProvera has only recently been approved by the FDA and brand advertising is about to start. Therefore, its effect on total sales will be reflected in the near future. Sales of Medifarma's Lorophyn have been irregular due to stock shortages.

Although sales show that the CSM component has partially fulfilled its objective, the CSD component has completely failed due to the country's general conditions. Private companies have not only been reluctant to include family planning in their family insurance programs, but some of them have even been obliged to cancel their health programs. Therefore, the CSD component has been suspended and its resources reallocated to the CSM component. For the time being, it is not recommended to re-activate the CSD component.

Regarding external factors influencing project performance, it is relevant to mention that the Peruvian economy has been in a recession for the several years. National development banks were closed with a considerable reduction of jobs in the government sector, and income distribution has become less equal. Although the present government's economic policy is oriented to growth of the gross domestic product, the effects on the generation of jobs will only be seen only at the beginning the next decade. Only 13% of workers were fully employed in 1993, and more than 21% of the total population (approximately 4.6 million people) live in extreme poverty.

Even APROPO's associates have been affected by the recession. We are referring to businessmen whose companies are facing the challenge of survival. In this situation, they have been unwilling to increase their contributions, although some of them have given extraordinary contributions. However, arrangements to obtain new resources should be made. It is considered possible that Board members would give additional contributions if the proper person or institution were to request them. It would help if this were specifically requested by USAID.

Another external factor, mentioned by drug company representatives, has been the receipt of donated products by governmental and nongovernmental organizations, which despite of established controls, arrive in the informal sector as a consequence of the mentioned crisis. PRISMA's controls have considerably reduced this problem at present, but it may grow again with the increasing foreign grants Peru is receiving.

5.2 Project Indicators for Monitoring and Evaluation

APROPO is using unit sales as the main indicator to monitor and evaluate CSM component. The use of sales per product and the respective commissions earned are appropriate for the follow-up and monitoring of the commercial aspects from CSM component, but they indicate nothing about cost effectiveness or the Mass Communication component.

For the MC component, the number of activities carried out are used as indicators. But these do not indicate achievement of such central objectives as APROPO's self-sustainability for the future and the cost of decisions.

Thus, a new information system which permits efficient follow-up should be developed. This system could include income and expense statements, monthly balance sheets, cash flows, and a cost-effectiveness indicator adequate to the type of activities developed by the project, such as the cost per CYP, as discussed below.

5.3 Cost Considerations: Cost Effectiveness

APROPO does not use a financial criterion which relates sales with costs incurred. Such a criterion could be the cost per CYP, which would provide a common denominator to the different products and services of the project. In Annex 2 a rough estimate for the first three project years is calculated. It would be desirable to have detailed indicators per product or component for decision-making. However, the accounting system is not capable of providing the needed data. Therefore, a cost accounting system should be developed. In the case of MC component, a cost-effectiveness indicator should be related to specific goals, such as percentage of a target audience that remembers messages.

Until the accounting system is developed, a rough calculation is suitable as long as the same methodology is applied to the whole data series.

5.4 Cost Alternatives for Project Activities

As a general rule, alternative price quotations are obtained for all purchases over US\$100 in order to meet USAID requirements. The case of Mass Communications, however, is more complicated. Even when advertising agencies are selected from a group of three, hiring of media has its own scheme.

According to CM Manager, more important than cost or price rates is the audience and market penetration for different population segments. Therefore, there may be only one appropriate supplier, which makes comparison of alternatives difficult. Moreover, the media's rates are purely nominal, and the bargaining of discounts and bonuses are part of the negotiation.

To reduce costs, APROPO has made some direct contracts with media, without going through ad agencies. This permits a nonprofit institution to get special consideration but is only available under certain market circumstances. Also, in order to reduce costs and to facilitate verification, infospots' duration has been standardized. In material purchases only, three price alternatives or quality options are presented.

In the case of social marketing, even though the ad agency was selected from a group of three, according to its costs, creative strategy and quality of previous work, the agency missed an opportunity to purchase discounted media time because of delays in approvals by the technical assistance group. In fact, once the strategy is designed and approved by advisory group, it should not be necessary to submit every detail for approval, but merely to keep it informed

During 1993, however, purchase of media space was negotiated in advance to take advantage of lower prices of "pre-venta" sales. As APROPO did not have funds available, purchase was financed with commercial drafts, which generated financial charges that were not eligible for USAID reimbursement. To avoid such problems in the future, APROPO must anticipate needed disbursements better.

5.5 Financial Organization

In addition to overseeing the accounting records and preparing project liquidations, the accountant is responsible for making payments, which is not a proper role for her. Following auditors' recommendations, the use of payment orders was introduced in mid-1993. These documents not only specify the purpose of payments but also identify the person authorizing a certain payment. Payment orders are accompanied by a voucher prepared by the accountant's assistant, signed by the accountant, reviewed by the General Manager, and approved by the Director-Treasurer. Although these procedures represent an improvement, they still do not completely solve the problem of the same person authorizing and making an expenditure.

There is no cashier for payments or collection of checks or cash. Therefore, it is necessary to distribute responsibilities better but without adding more people to the payroll. The accountant's assistant could assume this function and the new Financial and Administrative Manager could act as internal controller, ensuring that all payments are justified and documented before passing them on for signature.

5.6 Human Resources

The administration and accounting department has four employees in accounting and seven in administration activities. The new Manager is starting work full time, replacing the former part-time financial advisor. Given the number of voucher processed (some 20 per day), once the new Financial and Administrative Manager has passed his probation period, a personnel reduction is recommended, decreasing the number of positions to four. A new accounting system will avoid double data entry to classify expenditures by component.

5.7 Financial Management

A revision of project liquidation records and the institution's overall accounting records showed that they are reasonably organized and filed per project or under APROPO's own funding. Liquidations are presented to USAID in the formats (1 to 5) indicated by the Mission, with full detail of each transaction, and reconciled with the bank statements.

Nevertheless, information required (for each project component) by USAID-Accounting is general and is for the purpose of reconciling advances, not for monitoring project component accounts in detail. The USAID Project Manager has recently asked for detailed information per technical component, and this is being prepared beginning for May 1994. Since the accounting system was not designed for this, double data entry must be performed. Liquidations include a distribution per component. This is not but could be used for better project monitoring.

Although supporting documents are not submitted with the reconciliations, they are filed by APROPO and are available to USAID-Accounting. However, APROPO's Accountant said that USAID has made only one inspection in the last three years. Implementing auditors' recommendations in March 1994, the first balance reconciliation with USAID has been performed for accounts as of December 31, 1993. APROPO claims that if USAID Accounting were not short of personnel, it could have made periodic inspections that would have avoided several misunderstandings from both sides.

It is important to note that in the draft report from the auditors Moreno Patiño/Price Waterhouse, project accounts for US\$564,904 and S/. 12,698 were not considered eligible under A.I.D. regulations.

Most of the unapproved expenses were from the inactive CSD component, whose resources were allocated to the CSM component without a formal budget revision or a prior written authorization from USAID. USAID permission to revise the project budget has been received, and APROPO's General Manager claims that a proposal was prepared but not presented, pending results from the present evaluation.

A significant portion of the expenses objected by M.P./Price Waterhouse, corresponds to the general sales tax (IGV in Spanish) which USAID has asked to get reimbursed according to recent regulations (D.L. 783). An institution receiving international technical assistance must request IGV reimbursement, and APROPO has done this.

From the total expenses found ineligible by the auditors, USAID had rejected only US\$22,491.46 as at December 31, 1993. Of this amount, US\$6,577.08 was documented later, US\$2,339.44 has been transferred from the Plan Condones project resources, and the remaining US\$13,574.94, basically for ineligible expenses, will be covered by APROPO's own funds. The U.S. Treasury Department will charge APROPO interest expenses for these funds.

Separate accounts for each project have been opened, in national currency and U.S. dollars. Accounts number 110-01-002930-4 in soles and 110-02-000717-5 in U.S. dollars were opened at the Banco de Comercio. This bank was chosen due to the personalized service associated with a small bank. However, between May and November 1993 funds were transferred to the more secure Banco de Credito, given the possible closing of the informal banking institution. Once the situation of the bank became more secure, APROPO re-opened its accounts in the Banco de Comercio, partly because the Banco de Credito is always crowded.

APROPO's bank accounts are joint accounts, that is they need two signatures to withdraw money. The first signature is that of the General Manager or the Administrator. The second is that of the Director-Treasurer or the Chairman of the Board. Persons who sign checks are tacitly approving the vouchers or payment orders, but it is the Accountant's responsibility to have the back-up documents signed.

During the M.P./Price Waterhouse audit, some payments were found with incomplete supporting documentation (lack of signatures or identification of the project to be charged, for instance). To correct such cases, payment orders were established. Although amounts were not major and the new Director-Treasurer has instituted corrective actions, irregularities did exist at the time of the auditors visit in early May.

However, it is important to mention that although the Accountant registered the expenses, it is not reasonable to make her responsible for the reallocation of inactivated CSD component funds or the transfer to other projects or the interest charges for advance purchasing or non-eligible repairs. All those decisions were made at other levels.

It has been established that all payments should be made by check and, if possible, expenditures should be totally charged to one project only. In cases where a certain expenditure must be charged to more than one account, vouchers are to be documented with copies, mentioning where the original is kept. It should be said that during the present evaluation, it was noted that original invoices are not marked to indicate that they have been processed. Thus, they could be recycled. Therefore to avoid this possibility, once invoices have been paid, they should be stamped.

Regarding the income generated from drug company sales commissions, the companies' sales registries have not been verified. Although official statistics permit a general verification, the proper application of contract conditions should be verified.

Finally, the methodology to establish in-kind contributions is still pending approval by USAID. Such valorization was not part of the audit, but M.P./Price Waterhouse observed that this recommendation from the former auditor E.Gris was still pending.

5.8 Staffing vs. Functions/Activities

Finance and administration functions are carried out by an Accountant and an Administrator with their assistants. The Accountant has a university degree but no professional title. Auditors consider that she is not sufficiently trained. To elaborate the effective flow statement and the results of exposure to the inflation adjustment recently established in Peruvian accounting, she needed external consultants to do the job. The administrator does not have professional education. Both of them have been carrying out their work on the basis of experience.

5.9 Decision-making Process

There is a two-month delay in the presentation of monthly balance sheets. Although at the time of the audit the delay was of four months, this reduction is not enough to help in decision making. Monthly statements, including cash flow, should be elaborated on the first five days following the end of the reporting month for timely decisions.

5.10 Delegation of Responsibilities

There is not a proper delegation of responsibilities in the payment process. Managers from technical areas have no control over the use of project resources under their supervision. Thus, liabilities of a certain project or particular activities have been covered by available funds from other projects. Better controls will be achieved if pertinent managers take part in deciding what to charge to each project. For that control, the installation of an integrated computing system will be most useful.

5.11 Planning

Annual budgets have been prepared by the part-time former financial advisor before the beginning of each project year, but no follow-up mechanisms have been used by the administration.

Payment scheduling has not been synchronized with funds to be received from USAID. An updated cash flow is urgently needed for the coming months.

5.12 Administrative Systems

Existing systems are being improved in specific cases where deficiencies have been identified. For example, the new Treasurer has ordered the use of different stamps: (1) exact date of document receipt, (2) incomplete supporting documents to be returned to the responsible Manager, or (3) readmission of complete payment documents for processing and payments rejected as ineligible. Although these are simple system improvements, they have reduced processing delays. Likewise, the introduction of payment orders permits the clear identification of persons who approved charges.

5.13 Management Information System and Reporting

There is no clear description of the management information system nor an indication of who is responsible for the preparation of reports. Financial statements, as already stated, are two months late, and they are prepared for formal presentation to the Board rather than for use in decision making.

Advance reporting is currently submitted to USAID in the formats provided by the Mission, but as mentioned, presentation of Public Vouchers is made in a general format with the whole list of expenditures linked to budgetary categories. Only the Project Manager requires separation by technical component. Likewise, the semiannual and annual reports, although providing details of activities, have incomplete indicators to evaluate objective achievements per component. They also suffer a lack of continuity, due to successive modifications in their presentation.

5.14 Timely Provision of Technical Assistance

The financial and administrative areas have not received technical assistance. There has been only a temporary advisor, charged basically with preparing annual reports for USAID and planning new projects.

5.15 Technology Transfer

There has not been a technology transfer in the financial area. The methodology used to evaluate expenditure budgets has not been transferred to the Accountant nor the accounting assistants for each project. An operations manual was prepared by the former financial advisor in 1992, but no project staff have been trained to use it.

5.16 Implementation of Recommendations

Technical recommendations in the financial area are being implemented very slowly. These recommendations have emerged from audits and not from technical assistance. It should be mentioned that in the implementation of the CFP Project, APROPO was obliged to develop a new accounting plan, designed by external advisor E. Flores, which replaced the former Top-ledger package. However, this plan has to be revised to develop a new cost accounting system. At present, double data entry is performed to obtain a cost classification per project component. Therefore, it is necessary to revise the accounting system to obtain pertinent data directly from accounting process.

5.17 Clarification of A.I.D. Procedures

Procedures of USAID are quite clear. APROPO attributes instances of not following them to delays in funds receipt, especially at the beginning of a new fiscal year. However, a particular case is the reduction of funds due to the lack of clarity in the budget and the lack of periodic reconciliation of advances by component. Only in March 1994 were balances as of December 1993 reconciled.

As explained below, advance requests and consequent account reconciliation for the past month are repeatedly delayed. Although USAID insists on receiving documents on the first days of every month to permit timely payments from its Mexico office, APROPO has had difficulty meeting the deadlines for reasons it cannot explain clearly. Staff claim that requests are prepared

on time but then are delayed when persistent corrections have to be made. On the other hand, APROPO has not followed A.I.D. policies regarding non-eligible items such as repairs, office supplies, and preparation and maintenance of office areas. Although USAID could make exceptions to the rules, APROPO has to submit each case for prior approval.

5.18 Timeliness of Advances

According to information furnished by APROPO main delays in receipt of funds occurred in the following advances:

<u>Request</u>	<u>Date</u>	<u>Amount US\$</u>	<u>Receipt</u>
01	10.Sep.91	131,803.16	12.Nov.91
06	28.Set.92	437,175.16	03.Nov.92
10	15.Jul.93	46,164.00

According to USAID, an informal agreement exists for APROPO to submit advance requests no later than the first working day following the end of the reporting month. As noted, however, APROPO had a delay of more than 30 days in the October 1992 request. In 1994, APROPO submitted four of six requests late.

A related, serious problem is that APROPO requests funds without deducting previous cash on hand, which obliges the USAID controller to systematically reduce the advance requests. It seems for them APROPO never learns.

5.19 Major Strengths of the Project

APROPO has spent the project budget at the rate projected at the time of project design. The project still has sufficient money budgeted to implement modifications recommended in this evaluation.

New projects have been initiated which should permit additional income generation and to cover various expenses.

Because many staff have been hired recently and compensation deposits have already been made for them according to Peruvian law, few new expenses of this nature should be expected.

The staff is relatively young and committed to APROPO's work.

5.20 Major Weaknesses of the Project

The income generated by the project is insufficient to achieve self-sustainability of activities by the end of the project.

There continues to be a lack of funds for discretionary use for expenses not eligible for USAID reimbursement.

The current accounting system is not able to provide adequate cost accounting by product or component.

5.21 Recommendations

APROPO's new financial and administrative officer should establish a new accounting system, rationalize the administrative and accounting personnel, and produce timely monthly financial statements that managers can use for planning and decision making. More specifically, APROPO should:

- **Revise the project budget to reflect changes that have already taken place as well as new changes that result from implementation of recommendations from this evaluation. This should be completed within 90 days by the new financial and administrative officer, with support from the other managers.**
- **Obtain commitments outside of USAID to provide additional funds for discretionary spending. APROPO should solicit funds from Associated Members to cover expenses not eligible for reimbursement.**
- **Institute new accounting procedures that will give costs for products and avoid the reentry of data in order to classify costs.**
- **Complete monthly account balancing within five business days of the end of the previous month. Prepare these balance sheets as an instrument for follow-up, not merely because they are required.**
- **Complete implementation of the pending recommendations of the auditors.**
- **Make a schedule for meeting payment obligations to avoid ineligible expenses. Establish priorities for the monthly cash flow.**
- **Submit advance requests and balances of the previous month's funds to USAID on schedule, deducting cash on hand.**
- **Remove the function of cashier from the same person responsible for authorizing payments.**
- **Arrange for USAID to train the new financial and administrative officer as soon as possible in its procedures and administrative and accounting policies.**
- **Rationalize administrative and accounting personnel within 90 days.**
- **Establish mechanisms for program managers to have access to up-to-date accounting information.**

ANNEX I

PRODUCT SALES

Annex IA

MICROGYNON SALES AND CONTRIBUTIONS
US Dollars

	MONTHS	UNITS	VALUE	COMMISSIONS
	Sep 91	57,222		
	Oct 91	51,846		
	Nov 91	42,127		
	Dec 91	43,595		
	Jan 92	46,320		
	Feb 92	67,245		
	Mar 92	38,277	46,666	4,666
	Apr 92	38,392	46,546	4,655
	May 92	35,924	41,358	4,136
	Jun 92	38,469	40,832	4,083
	Jul 92	40,260	37,518	3,752
	Aug 92	43,838	40,874	4,087
SUB TOTAL YEAR 1		543,515	253,794	25,379
	Sep 92	45,900	43,627	4,363
	Oct 92	46,821	42,831	4,283
	Nov 92	47,438	41,863	4,186
	Dec 92	48,845	49,794	4,979
	Jan 93	72,814	67,567	6,757
	Feb 93	37,151	36,955	3,695
	Mar 93	72,950	73,546	7,355
	Apr 93	35,908	29,589	2,959
	May 93	31,786	32,257	3,226
	Jun 93	43,135	42,737	4,274
	Jul 93	43,682	49,476	4,948
	Aug 93	41,377	46,111	4,611
SUB TOTAL YEAR 2		567,807	556,353	55,636
	Sep 93	44,896	49,811	4,981
	Oct 93	38,652	42,601	4,260
	Nov 93	49,268	53,658	5,366
	Dec 93	45,898	50,472	5,047
	Jan 94	42,289	46,411	4,641
	Feb 94	43,223	47,348	4,735
	Mar 94	47,036	59,032	5,903
	Apr 94	42,553	53,319	5,332
	May 94	46,946	58,788	5,879
	Jun 94	49,438	61,924	6,192
	Jul 94	39,698	49,487	4,949
	Aug 94			5,200 (*)
SUB TOTAL YEAR 3		450,199	572,851	62,485

(*) Estimated

ANNEX 113

NORDETTE SALES AND CONTRIBUTIONS
US Dollars

	MONTHS	UNITS	VALUE	COMMISSIONS
	Sep 91	6 199		
	Oct 91	7 997		
	Nov 91	5 497		
	Dec 91	4 527		
	Jan 92	6 801		
	Feb 92	4 957		
	Mar 92	6 355	7 741	1 161
	Apr 92	6 374	8 437	1 265
	May 92	6 471	8 169	1 225
	Jun 92	5 376	6 196	620
	Jul 92	6 113	6 367	637
	Aug 92	3 196	3 283	328
SUB TOTAL YEAR 1		69 863	40 193	5 236
<hr/>				
	Sep 92	12 452	13 070	1 307
	Oct 92	12 986	13 082	1 308
	Nov 92	10 913	10 589	1 059
	Dec 92	10 428	11 310	1 131
	Jan 93	11 088	12 220	1 222
	Feb 93	10 384	11 420	1 142
	Mar 93	10 330	15 393	1 539
	Apr 93	11 458	12 797	1 280
	May 93	9 351	10 574	1 057
	Jun 93	13 739	14 956	1 496
	Jul 93	9 911	12 217	1 222
	Aug 93	9 853	12 121	1 212
SUB TOTAL YEAR 2		132 893	149 749	14 975
<hr/>				
	Sep 93	12 670	15 457	1 546
	Oct 93	10 904	13 146	1 315
	Nov 93	12 021	14 408	1 441
	Dec 93	10 648	12 834	1 283
	Jan 94	13 686	16 252	1 625
	Feb 94	11 319	13 693	1 369
	Mar 94	12 670	17 774	1 777
	Apr 94	9 680	13 409	1 341
	May 94	15 771	21 922	2 192
	Jun 94	11 392	15 543	1 554
	Jul 94			1 440 (*)
	Aug 94			1 440 (*)
SUB TOTAL YEAR 3		120 761	154 438	18 323

(*) Estimated

ANNEX 1C

DEPROVERA SALES AND CONTRIBUTIONS
US Dollars

MONTHS	UNITS	VALUE	COMMISSIONS
Sep 91	3 868		
Oct 91	4 040		
Nov 91	3 708		
Dec 91	3 876		
Jan 92	6 450		
Feb 92	2 184		
Mar 92	5 167	5 599	336
Abr 92	2 196	11 461	688
May 92	2 689	10 742	645
Jun 92	4 578	19 148	1 149
Jul 92	2 820	10 771	950
Aug 92	2 754	10 120	607
SUB TOTAL YEAR 1	44,330	67,841	4,375
<hr/>			
Sep 92	2 998	9 792	588
Oct 92	4 628	18 070	1 084
Nov 92	4 338	17 554	1 053
Dec 92	3 440	14 058	843
Jan 93	5 811	23 366	1 402
Feb 93	3 370	12 162	730
Mar 93	4 763	17 254	1 035
Apr 93	4 818	16 638	998
May 93	5 386	19 519	1 171
Jun 93	5 078	16 060	963
Jul 93	4 768	16 461	988
Aug 93	6 710	23 602	1 416
SUB TOTAL YEAR 2	56,108	204,536	12,271
<hr/>			
Sep 93	6 825	24 392	1 464
Oct 93	6 358	20 812	1 249
Nov 93	6 059	22 338	1 340
Dec 93	4 783	17 373	1 042
Jan 94	6 502	23 526	1 412
Feb 94	4 414	14 985	899
Mar 94	5 730	19 282	1 157
Apr 94	5 601	20 024	1 201
May 94	5 451	19 787	1 187
Jun 94	6 856	22 828	1 369
Jul 94			1,230 (*)
Aug 94			1,230 (*)
SUB TOTAL YEAR 3	58,579	205,347	14,780

(*) Estimated

ANNEX 10

LOROPHYN SALES AND CONTRIBUTION
US Dollars

MONTHS	UNITS	VALUES	COMMISSIONS
Set 91	10 530		
Oct 91	11 030		
Nov 91	13 174		
Dec 91	6 471		
Jan 92	6 094		
Feb 92	7 997		
Mar 92	9 111	20 020	700
Apr 92	6 055	14 350	700
May 92	8 823	19 855	700
Jun 92	7 708	16 001	700
Jul 92	6 168	11 237	700
Aug 92	9 259	19 270	700
SUB TOTAL YEAR 1	102,420	100,733	4,200
<hr/>			
Sep 92	14 361	28 563	949
Oct 92	10 477	20 119	700
Nov 92	11 899	22 066	700
Dec 92	7 119	12 752	700
Jan 93	9 640	16 757	700
Feb 93	12 399	22 449	758
Mar 93	11 054	18 593	700
Apr 93	10 886	18 310	700
May 93	6 524	10 809	700
Jun 93	3 206	5 182	700
Jul 93	8 316	13 248	700
Aug 93	14 444	22 470	866
SUB TOTAL YEAR 2	120,325	211,318	8,873
<hr/>			
Sep 93	6 328	10 379	700
Oct 93	15 075	24 600	916
Nov 93	4 406	7 090	700
Dec 93	4 920	7 995	726
Jan 94	12 312	19 915	1 752
Feb 94	25 135	49 112	902
Mar 94	14 535	28 270	700
Apr 94	1 289	2 872	700
May 94	1 706	18 233	700
Jun 94	3 747	40 045	700
Jul 94			700 (*)
Aug 94			700 (*)
SUB TOTAL YEAR 3	89,453	208,511	9,896

EAH. (*)Estimated

ANNEX 2**ESTIMATED COST PER COUPLE
YEAR PROTECTION
US Dollars**

	YEAR 1	YEAR 2	YEAR 3
CSM	290,218 77	569,762.02	435,228 74
CSD		9,000	14,608 68
MC			
ODC (66%)	73,431	51,328	45,127
AC (66%)	88,538	36,720	9,450
SUB-TOTAL	452,188	666,810	504,414
APROPO CONT. 50%	22,193	74,571	72,493
TOTAL COST	474,381	741,381	576,934
CYP:			
Microgynon	41,923	43,677	41,557
Nordette	5,374	10,207	11,147
DepoProvera	10,736	14,027	17,574
Lorophyn	12,291	14,439	12,881
TOTAL CYP	70,324	82,350	83,159
COST/CYP US\$	6.74	9.00	6.94

ANNEX 3

LIST OF DOCUMENTS REVIEWED

1. **Scope of Work USAID/PERU/HPN/M A Borneck**
2. **Project Paper 527-0326 AID/LAC/P-661 Private Commercial Family Planning**
3. **Plan Anual de Trabajo de APROPO, Año 1, Sept 1991**
4. **Plan Anual de Trabajo Año 2, Aug 1992**
5. **Plan-Programa-Presupuesto Año 3, March 1994**
6. **Informe de Ejecucion Año 1**
7. **Informe de Ejecución Año 2**
8. **Informe de Ejecución Año 3 - Primer Semestre**
9. **Informe de Auditoria 1992 por Eugenio Gris y Asoc./ Deloitte, Touche & Tohmatsu International**
10. **Informe Preliminar de Auditoria 1993 por Moreno Patiño/ Price Waterhouse, June 1994**
11. **Indicadores de Evaluación del Proyecto PFC, Año 3 Semestre I**
12. **Consolidado de Ventas Previstas y Reales por Año Calendario**
13. **Memoria 1993 de APROPO**
14. **Balance General al 31 de mayo de 1994 y Estado de Ganancias y Pérdidas al 31/05/94**
15. **Generación de Ingresos relacionados con actividades del Proyecto PFC 1991-1995, 1996-2000**
16. **Sistema de Presupuestos de Gastos y Financiación por Cómputo 1992, Manual Operativo**
17. **Memorandum Somarc II LAC Ref. Impact Objectives, July 8, 1992**
18. **Liquidation Vouchers No. 62 y 63**
19. **Resumen de Gastos a Junio 1994 por componentes**
20. **Memorandum P. Wexel Ref. APROPO Outstanding Advance, Revised Cash on Hand Calculation and Project Financial Status Report USAID/PERU Controllers Office**
21. **Peru's Development Context: Country Situation, USAID**
22. **Memorandum T. Basurto, Ref. Gastos generados anteriores al Proyecto PFC, Feb. 1994**
23. **Resolución Secretaria Ejecutiva No. 013-94 del Ministerio de la Presidencia**
24. **Informe Estudio Sparrow Abogados sobre aplicación de IGV a servicios prestados por APROPO a Multifarma**

ANNEX 4

LIST OF PERSONS INTERVIEWED

1. **Carola La Rosa de Luque, Gerente General de APROPO**
2. **Teresa Basurto de Burgos, Contadora de APROPO**
3. **Ana Teresa Gotuzzo, Gerente de Mercadeo Social**
4. **Maria Luisa Weigold, Gerente de Comunicaciones**
5. **Alejandro Chang, Director-Tesorero de APROPO**
6. **Mario Calixto, futuro Gerente Administrativo Financiero**
7. **David Chlimper A., Gerente de División de Producción de Multifarma (licensee of Wyeth Laboratories)**
8. **César Urbano V., Auditor de Moreno Patiño/Price Waterhouse**
9. **Patricia Wexel, USAID Controllers Office**
10. **Jerry Martin, Asesor Financiero USAID/PERU**
11. **Enrique Rosado and Stella Coello, USAID/Accounting**
12. **Max Patrucco, Financial Analyst USAID/Accounting**