



**MIDTERM EVALUATION
OF THE
PROFAMILIA DIVERSIFICATION, SUSTAINABILITY,
AND SOCIAL MARKETING GRANT**

EXECUTIVE SUMMARY

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ABBREVIATIONS AND ACRONYMS

| | |
|------------|--|
| ANC | Antenatal care |
| ASHONPLAFA | Asociación Honduerta de Planificación de la Familia (Honduras) |
| C | Córdobas (currency of Nicaragua) |
| CBD | Community-based distribution |
| CMS | Commercial Market Strategies Project |
| CPR | Contraceptive prevalence rate |
| CYP | Couple year of protection |
| DHS | Demographic and Health Survey |
| DIMECOSA | Dirección de Mercadeo y Comunicación Social, PROFAMILIA's social marketing and communications department |
| FP | Family planning |
| FPLM | Family Planning Logistics Management Project |
| GDP | Gross domestic product |
| GNP | Gross national product |
| HIV/AIDS | Human immunodeficiency virus/acquired immune deficiency syndrome |
| ICPD | International Conference on Population and Development (Cairo) |
| IEC | Information, education and communication |
| IPPF | International Planned Parenthood Federation |
| IR | Intermediate Result |
| IUD | Intrauterine device |
| JHU | Johns Hopkins University |
| JSI | John Snow, Inc. |
| MCH | Maternal and child health |
| MINSA | Ministerio de Salud (Ministry of Health, Nicaragua) |
| MSH | Management Sciences for Health |
| NGO | Nongovernmental organization |
| Pap test | Papanicolaou test |
| PASMO | Pan American Social Marketing Organization |
| PCS | Population Communication Services |
| PHC | Primary health care |
| POPTECH | Population Technical Assistance Project |
| PRIME | Program for International Training in Health |
| PROFAMILIA | Asociación Pro-Bienestar de la Familia Nicaragüense |
| PSA | Prostate-specific antigen |
| PSI | Population Services International |
| PVO | Private voluntary organization |
| QAP | Quality Assurance Project |
| RH | Reproductive health |
| SO | Strategic Objective |
| STD | Sexually transmitted disease |
| STI | Sexually transmitted infection |
| TFR | Total fertility rate |
| UNDP | United Nations Development Programme |
| UNFPA | United Nations Population Fund |
| UNICEF | United Nations Children's Fund |
| URC | University Research Corporation |
| USAID | United States Agency for International Development |
| VSC | Voluntary surgical contraception |
| WHO | World Health Organization |

EXECUTIVE SUMMARY

The United States Agency for International Development (USAID) Mission in Nicaragua arranged with POPTECH for a 4–person team to conduct an external, midterm evaluation of USAID’s \$10.6 million grant to the Asociación Pro-Bienestar de la Familia Nicaragüense (PROFAMILIA). The broad purpose of the grant is to support PROFAMILIA’s general objectives of helping to reduce population growth and fertility rates and contributing to the development of healthier families. The purpose of the midterm evaluation was to assess performance to date in achieving grant goals and results, financial sustainability, and organizational sustainability.

CONCLUSIONS

Achievements have been modest but impressive, given the turmoil in leadership and management that has characterized the grant since its inception in 1998. Although there have been some improvements in many areas, the overall impression is of an organization that is lacking identity and direction, and is in urgent need of strong leadership.

Goal Achievement

The grant has no specific health or fertility goals and PROFAMILIA does not use indicators to measure improvements in these areas. Data are collected, however, on couple years of protection (CYPs). Although this is not a required indicator, it is often used as a proxy for contraceptive prevalence and is the only indicator available related to goal achievement. There has been a slight increase in CYPs (6 percent from 1997–2001), but this is well below PROFAMILIA’s own targets, and it is unlikely that PROFAMILIA will meet its 2002 target.

Result Achievement

The grant has seven expected results (intermediate objectives) and PROFAMILIA has been active in pursuing most of them.

- 1. Increased recognition of reproductive rights and positioning of PROFAMILIA as a leading institution in this field:** PROFAMILIA is very active in this area, although the effects of those efforts have not yet been assessed. To date, there have been 314 meetings with social agencies, 336 reproductive health (RH) events, and 20 agreements made with nongovernmental organizations (NGOs). However, it seems that PROFAMILIA is avoiding conflict with the Catholic Church on controversial reproductive rights issues and is positioning itself more as a family health provider than as a champion of reproductive rights.
- 2. Increased use of temporary contraceptive methods:** In the 1997 evaluation (Bergthold et al., 1997), PROFAMILIA was strongly criticized for emphasizing sterilization to increase CYPs. The proportion of temporary to permanent methods was 2:8. The new policy has been excessive in emphasizing temporary methods and

limiting permanent ones. The grant target was to achieve a balance of 52 percent temporary and 48 percent permanent methods by the end of 2002. It is now at 84 percent temporary and 15 percent permanent and unlikely to be reversed anytime soon.

3. **Expansion and diversification of medical services:** PROFAMILIA clinics now provide 21 diversified services and volume has grown significantly from 160,443 visits in 1999 to a projected 214,556 in 2001. New users increased from 6,475 in 1998 to 46,638 in 2000. Laboratory examinations, gynecology, and other medical services are the most popular. Although services have expanded rapidly, the motivation has been more to increase revenues/sustainability than to address health needs.

Quality of care has been enhanced and client satisfaction has improved significantly. A quality assurance system is under development, but much more needs to be done in developing clinical standards and guidelines. Not enough attention is being given to RH services, especially gynecology and prenatal services. Delivery, even normal delivery, is restricted by PROFAMILIA regulations that are more oriented toward avoiding liability than improving health. As a result, the volume of deliveries is too small to maintain quality, be financially viable, or contribute to a reduction in maternal mortality. No steps are being taken to improve home deliveries. The community-based distribution (CBD) network is not involved at all. Weaknesses are also evident in supervision, laboratory procedures, clinical management of Papanicolaou (Pap) tests, medical training, and physician recruitment.

4. **Increased access in rural and marginal urban areas:** Based on recommendations from the 1997 evaluation, PROFAMILIA reduced the number of CBD posts and supervisors without any significant reduction in productivity. In fact, the number of visits increased from 155,570 in 1998 to 294,711 in 2000. New users increased from 31,032 in 1998 to 40,021 in 2000. Since sterilization has been de-emphasized, the CBD program now accounts for about 60 percent of PROFAMILIA's contraceptive sales (excluding social marketing), up from 25 percent in 1997. The major problem facing CBD is that it is not sustainable; it needs to be at least partially subsidized.
5. **Increase in adolescents provided information and education:** Ten youth clubs have been formed, 701 youth promoters have been trained, and 220 mini-clubs have been established. There were 4,335 youth members as of June 2001. No data have been collected on the effectiveness of these activities but qualitative assessments indicate that they are successful in educating youth in sexuality, family planning, and human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS). The clubs raise small amounts of money for local activities, but the program overall is not sustainable. Like CBD, it needs to be subsidized to survive. One group that seems to have been overlooked so far is out-of-school youth, especially those engaged in high-risk behaviors.

6. **Improved management capacity and sustainability:** The principal indicator for this result is compliance with the strategic plan. Unfortunately, the plan has not yet been developed. **Management and organization** are significant problems. Not only has the history of leadership changes affected operations, the current structure is unsustainable. Lack of consensus on PROFAMILIA's direction, role conflicts, the top-heavy nature of central administration, overlap, duplication, and disputes about responsibilities all contribute to an inefficient and costly organizational structure. Fortunately, PROFAMILIA is about to have new leadership. There is a new executive director, and a new board of directors is expected to be elected in September or October.

Nevertheless, **management capacity** at PROFAMILIA is quite good and improving. Most of the management staff is committed and competent. Technical assistance over the past few years has been very helpful, not only in building up essential management systems, but in strengthening the knowledge and skills of the managers. Relations with USAID remain strong.

Financial sustainability is 46 percent at mid-year. The target for 2001 is 57.6 percent, and the grant target for 2002 is 60 percent. The regional centers average 69 percent now, and the Commercial Market Strategies Project (CMS) clinics are at 87 percent, so it is likely that the organization as a whole can reach its target if it is able to bring costs under control and if social marketing is allowed to implement its programs. The major cost categories that contribute to the deficit are central, personnel, and social programs (youth, CBD, and communications).

7. **Established social marketing program:** Social marketing was to be the focal point of the grant. Unfortunately, it was combined with communications, and that has confused much of the leadership of PROFAMILIA, which has sometimes used social marketing funds for communications activities. The social marketing staff has produced excellent materials and campaigns for both components. It has increased sales, increased demand for services, and generated revenue. The component has great potential but it has been hampered by interference from PROFAMILIA leadership and delays in contraceptive registration. As a result, it is well behind its 100 percent sustainability target by 2002.

RECOMMENDATIONS

1. **Redefine PROFAMILIA's Mission.** PROFAMILIA needs to redefine its vision, its mission, set strategic objectives for achieving them (including measurable indicators), and then develop a strategic plan for meeting those objectives (including a new organizational structure). This recommendation is the most important one as it is the starting point for providing direction and eliminating confusion. The leadership of PROFAMILIA needs to initiate the process and agree on a common goal and plan. That must be followed by teambuilding exercises to bring all employees, volunteers, and contract personnel to that same agreement. PROFAMILIA also needs to define its role as an advocate of reproductive rights.

2. **Resolve the sustainability–social obligation issue.** This issue has divided the organization, pitting those who are concerned with the survival of the organization against those who want to help the helpless. Both are laudable; a solution is to provide needed RH services that it can sustain. This implies developing service packages based on need, not just cost or income potential. It also implies providing services for which there is a demand. The proposed mechanism is to separate sustainable from unsustainable programs/activities and apply sustainability objectives only to those that are sustainable. The unsustainable programs/activities would not be undertaken unless subsidized.
 - **Sustainable:** have sustainability targets of at least 100 percent (clinics, social marketing). Surpluses over 100 percent might be used to cross-subsidize some unsustainable programs/activities.
 - **Unsustainable:** do not have sustainability targets and must be subsidized (CBD, youth, promotion). Cost recovery could reduce the needed subsidies.
3. **Improve quality of care in reproductive health.** Quality of care should be given much more emphasis than it has been given, especially in reproductive health, which is the core service area. Standards of care and procedural guidelines are needed for all subservices of gynecology and maternal care, at a minimum. The quality assurance system should be completed and installed systematically so that it permeates the entire organization, not just medical services. Steps should be taken immediately to respond to basic client concerns, such as waiting time, continuity of care, and interpersonal communications. PROFAMILIA should design and launch a campaign to promote appropriate contraceptive methods and informed choice, not just temporary methods. Long-term methods (sterilization and intrauterine devices [IUDs]) are appropriate for many women, especially those over 30 who do not want any more children. PROFAMILIA should reevaluate its maternal care services (antenatal care [ANC], delivery, postpartum) and decide what it can do to increase safe outcomes and reduce maternal mortality—not only in its clinics, but also in its catchment areas.
4. **Support and encourage social marketing.** Social marketing is an important and well-managed program within PROFAMILIA and deserves the support and respect of the leadership, which should cease interfering with the technical and financial prerogatives of the program and approve its budgeted activities. USAID should grant a one-year, no-cost extension to the social marketing component to allow it to carry out these activities, launch its remaining two contraceptive products, establish a market niche, and reach its sustainability objectives. As with other components of PROFAMILIA, separate cost centers should be set up to separate social marketing from communications. DIMECOSA (Dirección de Mercadeo y Comunicación Social) should be given complete control of its social marketing budget, including the use of revenues to establish approved revolving and support funds. Both are critical to the future sustainability of the program. PROFAMILIA should also take advantage

of DIMECOSA's expertise to commission market research on current and new products and services. Currently, PROFAMILIA has no basis for deciding what services or products to offer. Market research can help determine demand, appropriate prices, appropriate packaging, and positioning.

5. **Decide what to do with CBD and youth programs.** It is clear that PROFAMILIA is the best institution to be providing CBD services. Its networks are more productive, cost-effective, stable, and sustainable than those of private voluntary organizations (PVOs). It has a permanent presence in the country and an established, experienced, trained network of CBD workers with an 80–90 percent retention rate. However, concerns about sustainability are limiting the extension of the networks and the expansion of service packages. PROFAMILIA and USAID need to decide whether to continue this social program, and if so, how to support it financially.

The same holds for the youth program. PROFAMILIA is recognized as a leader in the area of youth education. Its youth clubs seem to be effective, and they fill a significant gap—teenage pregnancy rates are high (41 percent in rural areas and 30 percent in Managua).

6. **Prepare and implement a financial sustainability strategy.** The clinics (without the social programs) are almost 100 percent self-sustaining. They have the potential for generating surpluses that could be used to partially subsidize social activities. To do this, they will need to reduce personnel costs and increase revenue from services. Salaried medical providers are prime targets for the former. By adopting the CMS contracting procedure, the current deficit in this category could be eliminated. A target for the latter is the expansion of safe delivery services, which is now practically nil due to fears of liability. Inefficient sites and services should be ended and new clinic sites and services that can contribute to overall sustainability should be identified.

At the central level, cuts are needed in central administrative and support costs, personnel, and transport costs. Other priority initiatives include setting minimal caseloads for physicians, establishing sustainability targets for clinics, establishing a profit-sharing/incentive plan that covers all employees, and constructing a new Managua clinic capable of meeting client demand.

7. **Strengthen management systems.** The first priority must be the clarification of PROFAMILIA's mission and objectives. As part of this, the sustainability versus social responsibility issue must be resolved. In addition, technical assistance to fill the gaps in management systems (such as human resource management and quality assurance) should be continued. A transition plan for the absorption of the six CMS clinics needs to be developed, ideally as part of an overall strategic plan. USAID and PROFAMILIA need to work much more closely together over the next 16 months to make sure that the recommendations included in this report are discussed and, where appropriate, implemented.

SUMMARY

PROFAMILIA is a fine organization that is going through a difficult period of adjustment. The recommendations made in this report can help the association make that adjustment in a relatively short period. In fact, at the debriefing it was clear that PROFAMILIA is already undertaking some of the recommended steps and is committed to implementing others. The required restructuring, as difficult as it may be, will produce a much stronger, more focused, and more productive association. USAID support during this transition period (moral, technical, and financial) is clearly needed; it is hoped that the Agency will be willing and able to provide it.