

LACHSRI Annual Report, September 2005

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Latin America and Caribbean Health Sector Reform Initiative

**Annual Report
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Introduction

Management Sciences for Health (MSH) has been a partner in the Latin America and Caribbean Health Sector Reform Initiative (LACHSRI) for nearly a decade, beginning with the FPMD Project and more recently under the Management and Leadership (M&L) and Rational Pharmaceutical Management Plus (RPM+) Projects.

Our regional contributions as the M&L partner of the LACHSRI include the development and/or translation and application of a host of tools, including:

- The Management and Organizational Sustainability Tool (MOST)
- The Cost Revenue Analysis Tool (CORE) and CORE Plus (with demographic component)
- The Social Insurance Assessment Tool (SIAT)
- The Business Planning Program (BPP)
- The Decentralization Mapping Tool (DMT)
- The Management and Leadership Dialogue

During this last year of the M&L cooperative agreement, USAID/LACHSRI allocated \$335,000 through M&L to adapt the BPP and CORE Plus for use by municipalities in Nicaragua, and to train a cadre of DMT managers from the 5 countries where the tool was originally tested from 2002-04 (Jamaica, Dominican Republic, Guyana, Ecuador, and Nicaragua). The funding cycle for these activities was October 2004 – September 2005.

About the BPP, CORE, and the DMT

The Business Planning Program (BPP)

"*The Art of Crafting a Business Plan for Social Return on Investment*," also known as the *Business Planning Program (BPP)*, is a comprehensive blended learning program that utilizes both face-to-face and electronic methodologies to help participants—either staff of non-governmental organizations or municipal officials—build expertise in: capturing and packaging breakthrough ideas, identifying target markets and marketing strategies, determining the best complement of staff to develop the ideas, and navigating the financial aspects of a business plan, including social and financial return projections.

The Cost and Revenue Analysis Tool (CORE and CORE Plus)

CORE, a spreadsheet-based Cost and Revenue analysis program, is a planning tool that managers of public and private health organizations, or municipal services, can use to improve the efficiency and financial viability of their services. The tool analyzes and compares costs and revenue for each service provided, compares results across facilities or municipalities, and allows the user to answer management questions and to run what-if scenarios, such as: Are our staff being used efficiently? How much would we need to increase the price of one service to cross-subsidize another? What might it cost to offer a new service that is not being provided currently? *CORE Plus* includes a demographic component that allows users to run different scenarios and compare actual and estimated services, costs, and revenue.

The Decentralized Mapping Tool (DMT)

The DMT is a practical and flexible tool that health leaders can use to deepen their comprehension of managers' perceptions about the allocation of responsibility and authority among management levels. The DMT captures these perceptions and presents the similarities or differences in perceptions in a graphic form. The DMT was field tested in the Dominican Republic, Ecuador, Guyana, Jamaica and Nicaragua. These field tests showed that the DMT is indeed a flexible tool that can be used for multiple purposes.

I. LACHSRI/M&L Activities for October 2004 – September 2005

A. *The Business Planning Program and CORE Plus for Municipalities*

The BPP and CORE tools were adapted for use by municipalities to create a suite of tools to help municipal officials identify high-impact products and services, and better cost the delivery of services. The BPP was offered at the municipal level to successfully market and package breakthrough products and services, utilizing the optimal mix of personnel while composing a solid business plan. The CORE tool was introduced at the municipal level to determine the costs of providing municipal services, against the funding provided through local tax collection and national-level budget allocations. .

MSH formed BPP and CORE Delivery Teams composed of staff from MSH/Boston, MSH/L&M Project-Nicaragua and MSH/Bolivia. The BPP Delivery Team also included staff from our LACHSRI BPP Program Partner, PROCOSI/Bolivia. By including members from PROCOSI, we were able to borrow lessons learned from their experiences for future applications in other LACHSRI countries.

B. *The Decentralization Mapping Tool (DMT)*

Over the past two years, the MSH/M&L team field tested the DMT in the Dominican Republic, Jamaica, Nicaragua, Ecuador and Guyana. Based on these field tests, the DMT has been revised and finalized for widespread use. The MSH/M&L team convened a cadre of senior level officials from the 5 DMT field study countries and other participants for a 3-day workshop in Managua, Nicaragua. In this workshop, participants were introduced to the finalized version of the DMT, explored its various uses and developed action plans for scaling up the application of the DMT in their respective countries. The specific objectives of the workshop, which took place from February 22-24, were as follows:

- Launch the Decentralization Mapping Tool (DMT)
- Encourage the participants to use the DMT in their own countries, and
- Open a virtual avenue (E-Room) for technical support and sharing experiences in using the DMT.

II. Key Activities and Progress

A. *BPP and CORE*

Both the BPP and CORE tools were scheduled to follow the same pattern of activities for their adaptation for municipalities. The same municipalities were chosen for the tool adaptations.

1. Strategic Action Planning Meeting.

BPP and CORE (6 – 10 December 2004)

A planning meeting took place in Managua with MSH team members to develop an overall Strategic Action Plan for the successful adaptation of the BPP for municipalities, secure a venue, and coordinate logistics. Also, during this time, the

team conducted pre-assessment interviews visited with newly elected mayors from five municipalities (Rivas, Tola, Quezalguaque, Waslala, and Masaya). With each mayor, the BPP and CORE Teams discussed potential interest in the tools and assessed IT needs of the municipalities and learning styles.

2. Market Research Meetings

BPP (31 January – 4 February 2005)

A 5-day market research meeting took place in Managua with four participating municipalities (Waslala, Quezalguaque, Masaya, and Tola). During this time, the municipality representatives were introduced to the current iteration of the BPP and the MSH team solicited their feedback for suggestions on how to adapt the current BPP to be appropriate for municipalities.

CORE (16 – 18 February 2005)

A 3-day market research meeting took place in Managua with four participating municipalities (Waslala, Quezalguaque, Masaya, and Tola). During this time, the municipality representatives were introduced to the current iteration of CORE/CORE Plus and the MSH team solicited their feedback for suggestions on how to adapt the current CORE/CORE Plus to be appropriate for municipalities.

3. Adaptation of CORE and BPP for Municipalities (February – April/May 2005)

During this time, the BPP and CORE teams modified the tools according to the suggestions made by the municipality representatives. The BPP for Municipalities tool was finalized as a CD-ROM, along with a BPP for Municipalities Facilitator's Guide and Participant Binder. This package of material was translated and made available in both English and Spanish. The CORE/CORE Plus for Municipalities tool was finalized as a CD-ROM accompanied by a User's Guide. This suite of tools was translated and made available in both English and Spanish.

4. BPP and CORE for Municipalities Orientation Workshop

BPP (April 2005) and CORE (June 2005)

The adapted CORE and BPP for Municipalities were presented to 4 and 5 municipalities, respectively, during a 3-day orientation for CORE, and a 5-day orientation for the BPP. Masaya became the 5th municipality to receive the CORE and BPP, since the Rivas municipality had scheduling conflicts. The municipality of Masaya also had a schedule conflict for the CORE Workshop and did not attend. The municipality representatives were trained to utilize the tools in improving service delivery. During the BPP Orientation Workshop, the BPP Program Roll-Out was launched, which began the 3-4 month process of composing a business plan to identify high impact products and services that would positively affect the health status of the municipality catchment area.

5. BPP Program Roll-Out (April – August 2005)

During this 3-4 month Program Roll-Out of the BPP for Municipalities, each municipal team completed the 6 modules for the BPP. For each module, the municipal teams submitted their assignments to the BPP Delivery Team member assigned to them. Within 24 hours, the BPP Delivery Team member responded with comments on the assignments and worked with the municipal team to finalize the module. For the 5 municipalities that participated in the BPP for Municipalities, their municipal business plans centered on the

following themes: Potable Water (Waslala), Sanitation and Garbage Collection (Yalí, Masaya, and Quezalguaque), and radio program to support increased literacy in rural areas (Tola).

6. Launch of the CORE and BPP E-Rooms

BPP and CORE (April 2005 – onwards)

During the BPP and CORE Orientation workshops, the E-Room was launched for BPP and CORE participants. Due to limited access to internet by the participating municipalities, the E-Rooms were not used actively as originally intended. Rather both E-Rooms were used as an occasional forum for discussions on how the BPP and CORE are being applied in the different municipalities.

7. *Visita de Medio Termino*

CORE (16 – 23 April 2005)

This visit took place in order to demonstrate to the participating municipalities the changes that had been made, to-date, on the CORE adaptation and to solicit feedback on features for the tool that would facilitate their usage of the tool. Also, during this visit, the CORE Delivery Team modified the case study under the original CORE/CORE Plus to create a case study that was more appropriate for the municipality themes. This visit provided extremely useful feedback and further changes were made to the tool as a result of this visit that were not suggested and captured during the Market Research Meetings.

BPP (16 – 23 July 2005)

This visit was added to the originally approved M&L LACHSRI Workplan in June 2005. The purpose of this visit was for 3 members of the BPP Delivery Team to visit their assigned municipalities to provide additional support in completing the module assignments. The BPP Delivery Team members gave a more in depth orientation to the modules on which the municipalities were working, since business plan development was a new activity for most participants. This proved to be a critical visit in maintaining momentum and ensuring the completion of high quality business proposals.

8. Presentation of municipality business plans (4 – 9 September 2005)

The participating municipalities presented their completed business plans to an audience of potential donors, USAID/Nicaragua, L&M/Nicaragua and fellow municipal colleagues. This was an opportunity for the municipalities to showcase their plans and seek to move beyond the plan into sponsorship and implementation of the product or service for improved health indicators in their communities.

B. DMT

1. Selection of 2 workshop participants by each USAID mission (Dominican Republic, Ecuador, Guyana, Jamaica, and Nicaragua).

A total of 10 participants were nominated from the countries where the field testing had taken place and funded by LACHSRI, with Ecuador choosing to fund a third participant. Each of these 11 participants was a leader in the health sector or a manager working at the centralized or decentralized level. Twelve additional participants were funded by other Nicaraguan sectors, such as Home Affairs and Education.

2. The DMT Workshop (22 – 24 February 2005)

The DMT Workshop took place in the Camino Real Hotel in Managua, Nicaragua. During the workshop, the participants became familiar with the DMT and learned about the use of an adapted form of the DMT in the Nicaraguan health sector. They then developed a work plan to use the DMT (or a suitable adaptation) in their own setting. In addition, the LACHSRIHSRI/M&L E-Room was launched to be an effective and low-cost mechanism for persons participating in the DMT application to share questions and experiences across municipalities and countries.

3. Launch of the DMT E-Room (February 2005 – onwards)

During the DMT workshop, the E-Room was launched for the workshop participants to share experiences as they expanded the implementation of the DMT on a national level. However, the E-Room was not used as originally intended for various reasons, primarily due to limited access to internet and this new technology. The DMT team made a number of attempts to encourage greater participation in the DMT with limited results.

C. Details on participants

BPP Market Research (31 January – 4 February 2005)

Twelve participants from four sample municipalities (Masaya, Quezalguaque, Tola, and Waslala) participated in the market research for the Program adaptation. Of these 12, 9 (75%) were male and 3 (25%) were female.

Municipality	Participant name	Gender
Alcaldía de Quezalguaque	Marcio Calderón Salazar	M
	Federico Gross Vega	M
	Reyna Chavarria Perez	F
Parroquia Waslala	Junior Cesar Gasparini	M
Alcaldía Waslala	Ramón de J. Gonzáles Díaz	M
	Luis Robleto Palma	M
Alcaldía Tola	Monica Jaen Cabezas	F
	Alfonso Solis L.	M
	Alexis Gazo	M
Alcaldía Masaya	Manuel Flores Trujillo	M
	Lucía C. Guerrero	F
	Milton Venegas	M

CORE Market Research (16-18 February 2005)

Ten participants from four municipalities (Masaya, Quezalguaque, Tola, and Waslala) attended the Expanded CORE Orientation. Of these 10, 8 (80%) were male and 2 (20%) were female.

Municipality	Participant name	Gender
Alcaldía de Quezalguaque	Federico Gross Vega	M
	Hugo Loza Martínez	M
Alcaldía Waslala	Ramón de J. Gonzáles Díaz	M
	Mario Martínez Rodríguez	M
	Luis Robleto Palma	M
Alcaldía Tola	Alexis Gazo	M
	Yohana Leal López	F

	Alfonso Solis L.	M
Alcaldía Masaya	Manuel Flores Trujillo	M
	Lucia C. Guerrero	F
	Milton Venegas	M

BPP for Municipalities Orientation Week (23 – 30 April 2005)

Thirteen participants (5 women, 8 men) from five municipalities participated in the BPP Launch/Orientation Week. Team captains and BPP facilitators were assigned as follows:

Municipality	Team Captain	Assigned Facilitator
Waslala	Luis Robleto Palma	Oscar Borda
Yali	Jimmy Wendel Torrez	María Cecilia Boada
Tola	Alexis Gazo	Fernando Unzueta
Quezalguaque	Marcio Calderón Salazar	Oscar Borda
Masaya	Lucía Guerrero	Fernando Unzueta

CORE for Municipalities Orientation Workshop (23 – 30 April 2005)

Nine participants (1 woman, 8 men) from four municipalities participated in the CORE for Municipalities Orientation Workshop.

Municipality	Participant Name	Gender
Quezalguaque	Marcio Calderón Salazar	M
Quezalguaque	Reyna Chavarría Pérez	F
Quezalguaque	Hugo Loza Martínez	M
Yalí	Jimmy Wendell Torrez Aguilar	M
Tola	Alexis Gazo	M
Tola	Norlan E. Rodríguez D.	M
Waslala	Ramón de J. Gonzáles Díaz	M
Waslala	Mario Martínez Rodríguez	M
Waslala	Luis Robleto Palma	M

DMT Workshop (22-24 February 2005)

Twenty-three participants (11 females, 12 males) from five LACHSRI countries, representing primarily the health sector, participated in the DMT Workshop.

Country	Name	Gender
Dominican Republic	Estevez, Oscar	M
Dominican Republic	Martinez, Maritza	F
Ecuador	Carrasco, Jaime	M
Ecuador	Sarzosa Concejala, Dra. Mariana	F
Ecuador	Gordillo, Salome	F
Jamaica	Belvett, Owen	M
Jamaica	Lynch, Howard	M
Guyana	Ragnhunauth, Jay	M
Guyana*	Ramsaran, Bheri	M
Nicaragua	Almendarez Miranda, Carmen	F
Nicaragua	Blanco, Eugenia	F
Nicaragua	Carcamo, Celia	F
Nicaragua	Castillo, Ulises	M
Nicaragua	Cruz, Carlos	M
Nicaragua	Garcia Montoya, Bislan	M
Nicaragua	Joyas, Antonio	M

Nicaragua	Rivas, Norma	F
Nicaragua	Palacios, Martha	F
Nicaragua	Parrales, Eduardo	M
Nicaragua	Solorzano, Alba Luz	F
Nicaragua	Fenly, Victor	M
Nicaragua	Yescas, Danilo	M
Nicaragua	Zapata, Milagros	F
Nicaragua	Zelaya, Santa Iliana	F

III. Key Notes

A. ***BPP***

The market research revealed the universality of the Business Planning Program for both the NGO and public sector. The challenge of adapting any tool is translating general observations into practical, concrete, and specific changes.

The BPP team identified the following types of modifications to the program:

- Modify any references to the participants' organization to municipality. This change includes updating the name of the first chapter of the business plan from "Módulo I: La Misión de la Organización" to "Módulo I: La Misión del Municipio."
- Modify definitions and provide examples that more accurately reflect the public sector context. (Ex. Update the definition of ingresos to: "*Los ingresos son el dinero que recibe un municipio de distintas formas, tales como honorarios, donaciones o subvenciones. Los ingresos pueden venir del gobierno central; impuestos; otras contribuciones de los ciudadanos; u otras fuentes externas, tales como la cooperación internacional y ONGs, normalmente como resultado del intercambio de un producto o servicio (incluyendo los productos tales como, propuestas, planes de trabajo o informes).*")

The BPP Design and Delivery Team maintains the quality and consistency of the BPP product line by implementing changes made to the program CD-ROM to all of the relevant supporting materials, including the program Facilitator Guide, Participant Binder, and Overview presentation.

B. ***CORE***

Perhaps the greatest challenge so far has been ensuring the readiness and willingness of some municipalities to participate. Initial municipality selection was based upon a range of criteria, including total population; geographic distribution; socioeconomic status; and urban or rural. Some of the municipalities contacted during the December 2004 visit did not appear to have sustained interest in participating during the first pilot round; thus, the expanded CORE orientation included fewer participants than originally anticipated.

The MSH team also challenged itself during the expanded orientation to put more focus and emphasis on the data analysis and decision-making based on those results; each person with prior CORE experience felt that earlier trainings had spent more time focused on data collection and data entry, and relatively little time on the analysis, interpretation, and decision-making. The team wanted

to ensure that the municipalities had a solid understanding of how they might use the analysis to make management decisions.

V. Relationship of activities to LACHSRI Performance Monitoring Plan indicators

A. ***IR 1.1: Studies, analyses, or tools/methodologies produced.***

BPP

- “The Art of Crafting a Business Plan for Social Return on Investment” (BPP) for Municipalities program CD and corresponding Participant Binder was distributed during the beta test BPP for Municipalities Orientation Week in April 2005.
- PROCOSI, MSH/Boston, and MSH/Bolivia modified the Facilitator’s Guide to BPP for Municipalities to offer the program throughout Latin America.
- The E-Room was made available for use by participants to exchange experiences regarding their use of the tool. However, participation was low due to limited internet access.
- *Informes de Viaje* were drafted for each BPP workshop, describing challenges and offering recommendations for changes in future methodology.

CORE

- The final version of the CORE for Municipalities tool was distributed in June 2005 at the CORE for Municipalities Orientation Workshop. Components included the Excel workbook file, accompanying User’s Guide, and a case study.
- The E-Room was made available for use by participants to exchange experiences regarding their use of the tool. However, participation was low due to limited internet access.
- *Informes de Viaje* were drafted for each CORE workshop, describing challenges and offering recommendations for changes in future methodology.

DMT

- A copy of the finalized DMT User’s Guide and CD-ROM is already available on the LACHSRI website.
- The E-Room was made available for use by participants to exchange experiences regarding their use of the tool and to share their strategic plans for application. However, participation was low due to the novelty of the E-Room technology and limited internet access.

B. ***IR 2.1: Percent of assisted clients that report using information.***

BPP

The BPP for Municipalities Orientation Week took place the week of 23 April 2005. In July, a *Visita de Intermedio* took place to offer additional technical assistance to each participating municipality. 100% (5/5) of participating municipalities have completed and presented their approved business plans at the close-out ceremony.

CORE

The CORE for Municipalities Orientation Workshop took place in June 2005. An evaluation of the CORE tool also took place during the BPP workshop, as the municipalities and a number of the

participants were the same. 100% of the municipalities report the utility of the CORE tool and have used the CORE tool at least once since their orientation in June 2005 to cost out services.

DMT

The DMT Workshop to introduce the finalized User's Guide took place in February 2005. A follow-up survey (through the E-Room) was sent out in June 2005 to determine the extent of use of the information from the Workshop and to assess the plans of each client to apply the DMT in their country. Although interest in the DMT was high during the workshop, only the Dominican Republic has taken further steps in developing a plan to apply the DMT nationwide.

C. IR 3.1: Number of targeted activities with broad stakeholder participation.

BPP

The Market Research Meetings of the adapted BPP for Municipalities, held in February 2005, included the participation of 2 mayoral representatives from 4 distinct Nicaraguan municipalities. The BPP for Municipalities Orientation Week, held in April 2005, included the participation of 2 mayoral representatives from 5 distinct Nicaraguan municipalities (The Municipality of Yalí was added to the original 4 municipalities present during the Market Research Meetings).

CORE

Four pilot municipalities participated in the CORE Market Research Meeting in February 2005. The CORE for Municipalities Orientation Workshop, held in June 2005, included the participation of mayoral representatives from 4 distinct Nicaraguan municipalities (The Municipality of Yalí was added to the original 4 municipalities present during the Market Research Meetings; Masaya, due to scheduling conflicts, did not attend the CORE for Municipalities Orientation Workshop).

DMT

Twenty-three participants, representing 5 countries and 3 distinct ministries (health, education, and home affairs) attended the DMT workshop in February 2005.

VI. Financial Status

The October 2004-September 2005 budget for all LACHSRI Activities is \$335,000 (\$205,000 for the BPP, \$75,000 for CORE, and \$55,000 for the DMT). Approximately \$19,500 was carried over from the previous year's LACHSRI funding. This sum was added to the DMT budget (totaling \$74,500), since these funds needed to be dedicated to activities congruent with the SO (SO3) from the previous year. Nevertheless, the current SO (SO2) is appropriate for all activities planned for LACHSRI/M&L this year.

The financial status of the LACHSRI Activities portfolio is sound and the expected pipeline for out funds at the close of the M&L Project is approximately \$5,000. The overall burn rate has been \$29,132 per month over the past 12 months, very close to our projected monthly burn rate of \$29,549. At the current burn rate, we are not in any danger of running short of funds by the end of our fiscal year, October 2005.

Specific financial activities:

BPP

Although our funding for BPP for Municipalities began October 1, 2004, our workplan was not finalized until the end of October. Thus, in October, the burn rate for our activities was high with respect to a zero projected spending. By November, our expenses were right on track, getting us within a 6% variance for spending for the total fiscal year. BPP funds at mid-year had a positive variance of approximately \$13,000. This surplus was expended once our major translation and production needs (for the BPP for Municipalities) were clarified. At the close of this fiscal year, it is expected that the BPP may have an approximately \$2,500 positive variance.

CORE

The CORE for Municipalities actual versus budget spending is on target, at mid-year reporting as well as end of the year reporting. The MSH team is monitoring the budget very carefully, ensuring that incurred costs are appropriate and that sufficient level of effort is being applied to achieve the objectives as set forth in the workplan. At the end of this project year, it is expected that the CORE funds are fully expended or with a maximum positive variance of \$500.

DMT

At midyear, the DMT actual spending was approximately 3% over the targeted budget for this time. This negative variance has been addressed with a corresponding reduction in level of effort. By the end of the fiscal year (September 2005), it is expected that the DMT funds may have an approximately \$1,500 positive variance.