

Technical Report No. 4

A Strategic Plan for Decentralizing the Health System in Paraguay

August 1996

Prepared by:

Hector Colindres, M.D.

Consultant

University Research Corporation

Tisna Veldhuyzen van Zanten, Ph.D.

University Research Corporation



Partnerships
for Health
Reform

PHR



Abt Associates Inc. # 4800 Montgomery Lane, Suite 600
Bethesda, Maryland 20814 # Tel: 301/913-0500 # Fax: 301/652-3916

In collaboration with:

Development Associates, Inc. # Harvard School of Public Health #
Howard University International Affairs Center # University Research Corporation



Partnerships
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Reform

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Abstract

This report outlines a strategic plan to decentralize the health care system in Paraguay, particularly through the use of experimental pilot activities in three departments (e.g., regions) as a first step in building a new, decentralized National Health System. The plan identifies 16 strategies for achieving four overall objectives: 1) making citizens aware of and responsible for health planning and action in their communities, 2) effectively defining complementary roles for public and private health providers, 3) providing the health system with sufficient resources, and 4) ensuring that the health system promotes and maintains a healthy and sustainable environment that is appropriate for the integrated development of individuals. A model work plan lists the activities required to implement the 16 strategies, including a timetable, identifies the parties responsible, and assesses whether technical assistance is required.

The plan was developed in 1996 at a seminar that included representatives of national government ministries; national, regional, and local health agencies; and local governmental bodies. The seminar was sponsored by the Partnerships for Health Reform Project, with funding from the United States Agency for International Development. Annexes to this report include background information on how the participants assessed the strengths and weaknesses of the current health care system and assessed the prospects for decentralization and reform.

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Acronyms

IDM	Ministry of the Interior
MSPyBS	Ministry of Public Health and Social Welfare (Ministerio de Salud Pública y Bienestar Social)
OPACI-IDM	Municipalities Administration of the Ministry of the Interior
PHR	Partnerships for Health Reform
USAID	United States Agency for International Development

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Executive Summary

Paraguay's 1992 national constitution included a commitment to decentralize national executive power through two lower levels of government elected by popular vote: departmental governments defined geographically, and local governments or municipalities. The primary objective was to give decision-making power to those who *provide* public services at the regional and local level and to those who *use* these public services.

The process of decentralization is well underway in the health sector, even as debate continues about the appropriate legal framework and defining principles. The Congress is in the process of ratifying legislation to create a decentralized National Health System. The Ministry of Health — formally, the Ministry of Public Health and Social Welfare (Ministerio de Salud Pública y Bienestar Social) — used the terms of this draft legislation to take a step toward decentralization by strengthening district-level health management systems, including the establishment of District Health Councils to coordinate and supervise regional health policies and services.

In an effort to support and help refine the decentralization process now underway in Paraguay, the Partnerships for Health Reform (PHR) Project, funded by the United States Agency for International Development (USAID), sponsored a seminar that involved key health decision makers at all levels and sought to define a strategic planning process. This report summarizes the strategic plan developed at that workshop, held in August 1996.

The seminar participants worked in teams to carry out three fundamental tasks:

- ▲ identify the key factors affecting the decentralization process and assess the progress to date — where we are
- ▲ define the objectives of the process — where we are going
- ▲ develop a strategic plan for fulfilling the objectives — how we can get there

The strategic plan outlined in this report focuses on an experimental pilot that can be implemented in one or more particular districts and then be refined and replicated throughout the country. The model is broad and flexible, reflecting general characteristics considered to be essential to ensure that the new, decentralized health system can effectively meet the needs of the people of Paraguay. In particular, the team set nine criteria for the model. It had to:

- ▲ be flexible
- ▲ be equitable and promote solidarity
- ▲ be effective
- ▲ facilitate incremental community participation

- ▲ generate compromise and leadership
- ▲ facilitate absorption of competence and commitment
- ▲ respect national autonomy and sovereignty
- ▲ represent an equilibrium between the extremes of centralization and decentralization
- ▲ focus on the integrated development of the individual

The structure of the proposed health care system reflects the three levels of government defined in the 1992 National Constitution — national, departmental, and municipal. The system revolves around District Health Councils, which function with active participation from members of the community and the different local actors and institutions involved in health care delivery and in the decentralization process more broadly. The District Health Councils are responsible for carrying out national and departmental health policies, while facilitating technical and regulatory coordination at the central level. Administrative and/or financial management is the responsibility of the municipal government but remains under the control of the District Health Council. The local health budget will be designed and controlled by the District Health Councils, which will seek to ensure an equitable and optimal distribution of funds to meet priority needs.

Local health authorities are responsible for identifying the needs of the participating institutions for human, material, financial, and technical assistance and for coordinating such assistance. In addition, the local health authorities will monitor the progress of each institution in fulfilling its defined objectives in instituting the decentralized system.

Individual health care facilities will collaborate to administer the delivery of medical care through integrated, complementary mechanisms that reflect the national principles of social security. These service delivery mechanisms should also respond to local needs with respect to quality, cost, and coverage. The District Health Councils will be responsible for monitoring and ensuring the quality of health services delivered by local institutions (public and private). In particular, they will attempt to improve the responsiveness of these institutions to the needs of the community and ensure that community members can actively participate in the decision-making process.

Finally, the District Health Councils will establish simple and practical procedures, indicators, and instruments to monitor and evaluate the impact of the decentralization process, particularly to improve and refine the model for replication elsewhere.

Overall, the system for delivering health services will focus on the welfare of individuals and their families, with emphasis on promoting health behaviors and conditions and preventing disease. The provision of medical care should be exclusively at the primary and secondary levels.

1. Introduction

Paraguay's 1992 national constitution included a commitment to decentralize national executive power through two lower levels of government elected by popular vote: departmental governments defined geographically and local governments, or municipalities. A National Decentralization Commission was established in 1994 that includes representatives of executive, legislative, and civic organizations at these three levels (national, regional, and local). The primary objective of decentralization is to transfer decision-making power to regional and local officials who provide public services. The decentralization process will gradually devolve authority to lower levels of government (i.e., departments, districts, and municipalities) and increase the autonomy of agencies that deliver services at these levels.

Another important aspect of decentralization is to give a role in the decision-making process to those who use public services. The goal is to create opportunities for elected and other leaders at the community level to participate directly and actively in designing how public services are delivered in order to help ensure that they are of high quality and reflect the needs and desires of the community.

The process of decentralization is underway in the health sector, with implications for the delivery of health care services at all three levels of government. There is an ongoing debate among the executive and legislative agencies of the national government about the legal framework and defining principles for decentralization of the health sector. Even as this important debate continues, however, various measures have been taken by government agencies at all three levels, including the Ministry of Health — formally, the Ministry of Public Health and Social Welfare (Ministerio de Salud Pública y Bienestar Social, or MSPyBS) — the national Congress, the Governors' Offices, and the Regional Health Administration.

For example, the Congress is in the process of ratifying legislation to create a decentralized National Health System. The draft law includes the following provisions:

- ▲ “Mechanisms for developing and strengthening local health systems (SILOS) through regulation and implementation of efficient financial and operational decentralization for the entire country.”
- ▲ “To consolidate the participation, in health actions, of the actors of the system through national, regional and local boards as well as in the proposal for development of strategic plans and programs.”
- ▲ “The system shall promote the process of decentralizing public services by levels of complexity, through mechanisms of agreements and contracts that are complementary of institutions and resources, agreement on plans and programs with municipalities and departmental governments.”

The MSPyBS used the terms of this draft legislation to take a step toward decentralization by strengthening district-level health management systems. This included establishment of District Health Councils to coordinate and supervise regional health policies and services.

1.1 Strategic Support for Decentralization

In an effort to support and help refine the decentralization process now underway in Paraguay, the Partnerships for Health Reform (PHR) Project, funded by the United States Agency for International Development (USAID), sponsored a seminar among key health decision makers at all levels to help define a strategic planning process. This report summarizes the Strategic Plan developed at that workshop, held in August 1996. The seminar participants worked in teams to carry out three fundamental tasks:

- ▲ identify the key factors affecting the decentralization process and assess the progress to date — where we are
- ▲ define the objectives of the process — where we are going
- ▲ develop a strategic plan for fulfilling the objectives — how we can get there

1.1.1 Where We Are

The participants analyzed the state of decentralization (where we are) by reviewing and evaluating the strengths and weaknesses of the current political, legal-regulatory, economic, socio-cultural, and demographic environment. They also evaluated the expectations and satisfaction levels of those who use the system. Finally, they sought to define the extent to which various administrative and management processes are now appropriately decentralized, including planning, organization, resource management, coordination, supervision, and control. (The variables considered in this analysis are detailed in Annex D to this report.) The group used this analysis to identify priorities for discussion and consideration.

1.1.2 Where We Are Going

To define the key objectives of decentralization (where we are going), the group first reached a consensus definition of what constituted quality health care and determined which administrative processes (i.e., which governmental entities) were involved in ensuring these were part of the decentralized system. The group then proposed a series of 16 objectives that would have to be met in order to ensure such quality care.

1.1.3 How We Get There

Finally, the participants defined a strategic course of action to achieve the proposed objectives (how we get there). The model work plan outlines a number of sequential activities to achieve each of the 16 objectives, broadly defines the period of implementation (either on a one-time or ongoing basis), delineates which health care agencies are responsible for implementing the activities, and assesses whether the agencies require technical assistance to carry out the activities (see section 4).

In addition, the group designated a follow-up team with responsibility for overseeing implementation. Members of the follow-up team will brief agencies on their roles under the strategic plan and coordinate and oversee their implementation of the outlined activities. This includes assessing their needs for technical assistance and helping them identify ways to meet these needs.

The entire process was based on “learning by doing,” which introduced the participants to strategic thinking and strengthened their concepts and tools in this area. The result — a step-by-step strategic plan for decentralizing the health care system in Paraguay — is presented here.

1.2 A Pilot Approach

The strategy developed by the seminar participants and outlined in this report revolves around implementing the action plan on an experimental, pilot basis in several districts and using this experience to refine the plan for replication throughout the country. The model is broad and flexible, reflecting general characteristics considered to be essential to ensure that the new, decentralized health system can effectively meet the needs of the people of Paraguay. In particular, the team set nine criteria for the model. It had to:

- ▲ be flexible
- ▲ be equitable and promote solidarity
- ▲ be effective
- ▲ facilitate incremental community participation
- ▲ generate compromise and leadership
- ▲ facilitate absorption of competence and commitment
- ▲ respect national autonomy and sovereignty
- ▲ represent an equilibrium between the extremes of centralization and decentralization
- ▲ focus on the integrated development of the individual

This general model will need to be adapted to reflect the skills and priorities of those who will implement it in any particular location. Because this is an experimental model, the lessons and

experiences of its early application should be used to further refine the strategies and action plan before they are replicated elsewhere.

1.3 Building a Political Consensus

This strategic plan defines the shape of the new, decentralized health system in Paraguay, defining the objectives of the decentralization process and outlining a strategic mechanism for realizing those objectives. Therefore, this model represents the measure against which the efficacy and success of the new system can be gauged. The success of this process will rest on whether a political consensus can be built around these overall objectives for the new system and on whether political consensus is strong enough to spur the active participation of all those individuals and institutions involved.

2. Strategic Objectives and Key Results of Decentralization

2.1 Strategic Objectives

The decentralization process should result in a health system that fulfills these four objectives:

- ▲ We will have citizens who are aware of and responsible for their roles as leaders of health planning and action in their communities, and citizens will be represented in district groups led by community authorities.
- ▲ The health system will be comprised of effective public and private organizations whose functions are defined and integrated at all levels to correspond to local realities.
- ▲ Sufficient resources will be made available on a timely basis, will be distributed equitably, and will be administered with a high level of skill, transparency, and honesty.
- ▲ The health system will promote and maintain a healthy and sustainable environment that is appropriate for the integrated development of individual citizens.

2.2 Key Results of the Process

The decentralization process will achieve the following results over the short term, medium term, and long term.

2.2.1 Short-Term Results

- ▲ Train community members in the process of decentralization and the mechanisms for community participation in development.
- ▲ Promote action that stimulates the participation of citizens in the process of decentralization.
- ▲ Form and strengthen district groups to steer the local implementation of the process in order to ensure appropriate design, implementation, and evaluation of activities.
- ▲ Foster commitment and leadership in administrative and/or financial management among local steering groups.

2.2.2 Medium-Term Results

- ▲ Define and delimit the roles and functions of public and private organizations associated with the health sector in the decentralization process.
- ▲ Ensure that the activities of local health institutions are effective and consistent with the needs of the most vulnerable members of each community.
- ▲ Implement programs to continuously improve the quality of local health services.
- ▲ Identify, provide, and distribute the human, material, and financial resources needed for local communities to participate in the process on an equitable and collaborative basis.

2.2.3 Longer-Term Results

- ▲ Establish and develop systems and instruments that promote the sharing of information among organizations at all levels to ensure the transparency of administrative and/or financial management and the optimal use of human, material, and financial resources.
- ▲ Develop and implement programs that are coordinated among institutions and communities to promote a healthy environment that promotes the welfare and the integrated development of all people.
- ▲ Obtain inter-sectoral agreement and political support for the pilot decentralization project in the selected districts of J.A. Saldivar, Piribebuy, and Ayolas.

3. A Model for Decentralization

This model is designed to be implemented on a pilot basis in several districts as an experimental first step in a longer-term national process of decentralization. The proposed model system is structured around the three levels of government defined in the 1992 National Constitution — national, departmental, and municipal — and reflects the vision for conscious and responsible community participation in health care decision-making that was envisioned in the constitution. The new, decentralized system revolves around and is led by District Health Councils, which function with the active participation of members of each community and the various local actors and institutions involved in health care delivery and in the decentralization process more broadly in each district. This committee is responsible for carrying out national and departmental health policies, while facilitating technical and regulatory coordination at the central level.

Administrative and/or financial management is the responsibility of the municipal government but remains under the control of the District Council, in accordance with regulations designed and approved by all parties for this purpose. The District Council will design, coordinate, direct, and control the action plans for local implementation of the national strategy and processes for decentralization. Each Council will outline its own requirements for the particular institutions involved. The District Council will design and control the local budget, including the health budget, ensuring that resources are distributed equitably and for optimal impact.

Local health authorities will be responsible for identifying the needs of the participating institutions for human, material, financial, and technical assistance and for coordinating such assistance. In addition, the local health authorities will monitor the progress of each institution in fulfilling its defined objectives. Local health care facilities will collaborate to administer the delivery of medical care through integrated, complementary mechanisms that reflect the national principles of social security embodied in the constitution. These service delivery mechanisms will be responsive to local needs in terms of quality, cost, and coverage.

The District Health Councils will be responsible for monitoring and ensuring the quality of health services delivered by local institutions (public and private). The Councils will develop and implement systems for monitoring, regulating, and improving these institutions, particularly their responsiveness to the needs of the community and their ability to foster and facilitate community participation in decision-making.

The District Councils will establish simple and practical procedures, indicators, and instruments to monitor and evaluate the impact of the decentralization process, particularly to improve and refine the model for replication elsewhere. The local development plans will give priority to outlining activities to conserve and improve the environmental conditions and ecosystems of urban areas, working in close collaboration with the individual communities, sectors, and institutions involved in the decentralization process, as well as those outside the health sector that will be affected by the process.

Overall, the system for delivering health services will focus on the welfare of individuals and their families, with emphasis on promoting healthy behaviors and conditions and preventing disease. The provision of medical care should be exclusively at the primary and secondary levels.

4. Pilot Work Plan for Health Care Decentralization

The work plan outlined in the pages that follow includes 16 strategies for realizing the overall objectives and interim results defined for the new, decentralized health care system in Paraguay. The activities included under each of these 16 strategies are defined, including in terms of the implementation period — either on a one-time or an ongoing basis — the party or parties responsible for implementing the activity, and whether technical assistance will be required.

4.1 Educate Citizens about the Health Care System

Activities	Period of Implementation	Responsible Party	Technical Assistance Required?
Identify social groups and their priority needs	6 months	District Health Council	Yes
Organize social groups	1 year	District Health Council	Yes
Design realistic support and training programs for each group	1–1½ years	Technical Advisors	Yes
Select techniques for implementing training programs (e.g., camps, clubs, sports competitions, training sessions, discussion forums, radio, printed materials, street theater)	1 year	Technical Advisors; Leaders; District Health Council	Yes
Create indicators and mechanisms to monitor achievements and get feedback	Ongoing	Technical Advisors; District Health Council	Yes
Evaluate program and impact annually	1 month per year	Experts; District Health Council	Yes
Develop Annual Citizen Training Program	1 month per year	Experts; District Health Council	Yes

4.2 Stimulate Community Participation in the Decentralization Process

Activities	Period of Implementation	Responsible Party	Technical Assistance Required?
Identify and prioritize community groups whose participation in community development is of interest	1 month	Special neighborhood commissions	No
Define needs and areas of interest for each group	1 month	Special neighborhood commissions	Variable
Design and implement specific short-term projects that guarantee spectacular results to resolve the set of problems targeted by each group	1 month	Special neighborhood commissions	Variable
Monitor and evaluate the process and results	Variable	Special neighborhood commissions	Variable
Disseminate results using participatory methods	Ongoing	All leaders	No
Reschedule and coordinate other priority projects and continuously disseminate their results	Continuous	Special neighborhood commissions	Variable

4.3 Widely Publicize the Process, Using Local Mass Media

Activities	Period of Implementation	Responsible Party	Technical Assistance Required?
Design citizen dissemination program	1 month	Technical Commission of District Health Council	Assistance in Educational Management from Health Sector and Press Sector from Office of President of the Republic
Study local mass media to gauge levels of penetration, listening hours, etc.	1 month	Technical Commission of District Health Council	As Above
Define type(s) of media and materials to be used and sources of materials and financing	1 month	Technical Commission of District Health Council	As Above
Develop materials to be used	2 months	Technical Commission of District Health Council	As Above
Develop dissemination activities, including radio programs, TV messages, posters, popular theater, information booklets, and others as appropriate	Ongoing	Technical Commission of District Health Council	As Above
Monitor, follow up, and evaluate programs and impact	3 months	Technical Commission of District Health Council	As Above
Annually reschedule activities	Annually	Technical Commission of District Health Council	As Above

4.4 Motivate Citizens to Participate

These activities should emphasize individuals' feelings of belonging to the community, and their ability to exercise some measure of social control through their communication and interaction with local leaders and local realities. Youth groups in particular should be targeted.

Activities	Period of Implementation	Responsible Party	Technical Assistance Required?
Create community participation promotion committees	1 month	District Health Council	Yes
Evaluate citizens' opinions on and interest in participating in local development activities using sampling techniques	1 month	Citizen Participation Promotion Committee	Yes
Design program to motivate and reward community participation, including contests (e.g., construction of latrines); cultural, sporting, and social events; training and scholarships for outstanding participants; prizes, diplomas, plaques, citizenship awards, etc., to reward participation.	2 months	Citizen Participation Promotion Committee	Yes
Implement program activities	Ongoing (each program to last < 3 months)	Citizen Participation Promotion Committee	Yes
Design and execute mass media programs to stimulate participation, including information on how to get involved	2 months for design; ongoing implementation	Citizen Participation Promotion Committee	Yes
Monitor and evaluate program and impact	4 months	Citizen Participation Promotion Committee	Yes

4.5 Organize and Strengthen the Community

The community must be organized and strengthened at all levels to ensure both the success of the decentralization process and the long-term sustainability of the new health care system. Communities should be advised and given technical assistance to build supervisory and administrative-financial management capacities. These activities should utilize and build on the existing skills, interest, and leadership of those in the community, especially community leaders and young people.

Activities	Period of Implementation	Responsible Party	Technical Assistance Required?
Call on different public and private social actors to form District Health Council	3 months	Municipality; Health Center	No
Develop District Health Council regulations	1 month	District Health Council	No
Delegate responsibilities of District Health Council to organizations of neighborhood and company commissions	Ongoing	District Health Council	No
Provide training in leadership, administration, and/or financial management to District Health Council and other leaders and groups, especially young people	Every 6 months for 2 years	District Health Council	Yes
Monitor and support management development	Every 6 months	District Health Council	Yes

4.6 Strengthen Mechanisms for Local Public Hearings

These activities should build on existing structures and capacities for holding public hearings, particularly among local leaders and the District Health Council, to reach consensus on proposals, define commitments, and structure wider community participation in decision-making.

Activities	Period of Implementation	Responsible Party	Technical Assistance Required?
Develop a Manual of Instructions	3 months	Municipalities Administration of the Ministry of the Interior (OPACI-IDM)	Yes, including from USAID
Plan and execute events to promote awareness and understanding of public hearings	1 month	As Above	Yes, including from USAID
Organize and evaluate first public hearing	1 month	As Above	Yes, including from USAID
Follow up on fulfillment of commitments undertaken at public hearing	6 months	As Above	Yes, including from USAID
Gather feedback from public hearing process	Annual	As Above	Yes, including from USAID

4.7 Develop Local Leadership and Management Skills

The people who will be involved in making and implementing health care decisions need strengthened skills in supervision, leadership, negotiation, conflict management, and consensus-building.

Activities	Period of Implementation	Responsible Party	Technical Assistance Required?
Develop a Manual of Instructions to develop the concept	3 months	Ministry of Public Health and Social Welfare (Ministerios de Salud Pública y Bienestar Social, or MSPyBS)	Yes, from USAID
Design training program to build supervisory, leadership, and negotiation skills	1 month	MSPyBS	Yes, from USAID
Select trainers and/or promoters of concept	1 month	MSPyBS	Yes, from USAID
Train the trainers	3 months	MSPyBS	Yes, from USAID
Follow up and evaluate trainee management	1 year	MSPyBS; OPACI-IDM	Yes, from USAID
Gather feedback; design and implement Daily Reinforcement Programs	Annually (by month)	MSPyBS; OPACI-IDM	Yes, from USAID

4.8 Promote Local Health Planning

The new, decentralized system will feature district-level development planning among all sectors of the governmental and civic structure. The local planning processes and mechanisms must be responsive to the priority needs of individual communities, as expressed by members of the community through different media to local leaders. The planning process must promote equity, solidarity, and participation.

Activities	Period of Implementation	Responsible Party	Technical Assistance Required?
Design inter-sectoral planning model for local development	2 months	District Health Council; Experts from Other Sectors	Yes
Train District Health Council and experts from pertinent sectors	1 month	District Health Council; Experts from Other Sectors	Yes
Identify priority local needs	1 month	District Health Council; Experts from Other Sectors	Yes
Coordinate planning and scheduling in each sector with functional linkage of activities	1 month	District Health Council; Experts from Other Sectors	Yes
Produce a document containing annual development plan	1 month	District Health Council; Experts from Other Sectors	Yes
Execute plan; monitor; make adjustments as needed	Ongoing	District Health Council; Experts from Other Sectors	Yes

4.9 Enable Local Health Budgeting

The preparation and control of health care budgets should be based on local development plans and local participation.

Activities	Period of Implementation	Responsible Party	Technical Assistance Required?
Design model for inter-sectoral budget preparation and control at the district level	2 months	District Health Council; Experts from Other Sectors	Yes, including consulting from Ministry of Finance
Train district groups	1 month	Ministry of Finance	Yes
Review development plan and sectoral programs for the district; identify and quantify resources	15 days	District Health Council; Experts from Other Sectors	Variable
Develop budget by sector and institution	1 month	District Authorities from Each Sector	Consulting from Ministry of Finance
Prepare, review, and approve general district budget	1 month	District Authorities from Each Sector	Consulting from Ministry of Finance
Monitor and control budget expenditures	Monthly	District Authorities from Each Sector	Consulting from Ministry of Finance
Conduct general review of budget execution	Every 3 months	District Authorities from Each Sector	Consulting from Ministry of Finance
Reschedule and expand budget, in accordance with monitoring and local needs	As needed	District Authorities from Each Sector	Consulting from Ministry of Finance

4.10 Develop Alternate Sources of Financing

The resources of the central government will be insufficient to meet all local needs. Alternative sources of health care financing (including material and human resources) must be identified and properly managed to ensure that local plans can be fully implemented and to promote more effective local health management.

Activities	Period of Implementation	Responsible Party	Technical Assistance Required?
Define amounts to be collected by alternative sources to achieve annual results	1 month	District Health Council; Experts from Other Sectors	Consulting from Ministry of Finance
Identify groups or institutions that can generate resources through generation of budgets, rents, methods of prepayment, donations, sponsoring social or sporting events, utilizing their own resources, or selling services.	1 month	District Health Council; Experts from Other Sectors	Consulting from Ministry of Finance
Make request to incorporate the 15 percent of municipal budget that is set aside for health	1 time (October 1996)	District Health Council	Consulting from Ministry of Finance
Solicit donations from local businesses, entrepreneurs, and industrialists; foundations; health agreements; local and international civic groups (e.g., Rotary Clubs)	6 months – 1 year	District Health Council	No
Provide social training with a revolving fund	3 months	District Health Council	Consulting from Ministry of Finance
Promote self-management of social groups	Ongoing	District Health Council	No
Solicit company contributions in the form of prepayment for services from MSPyBS from parents' groups, cooperatives, businesses, educators, etc.	> 1 year	Local Health Service	No
Design programs for collecting prepayments for medications	6 months	District Health Council; Experts from Other Sectors	Yes
Determine costs and amounts to be collected for services and operations based on type of care	6 months	District Health Council; Experts from Other Sectors	Yes

Establish agreements on care for Social Security and private services	1 year	District Health Council; Regional Health Director; MsPyBS; Social Security Institute (Instituto de Previsión Social, or IPS)	Yes
Develop systems for administrative management to control profit margins; make adjustments as needed	4 months	District Health Council	Yes, including from Ministry of Finance
Inventory revenue from municipalities by type and amount	2 months	District Health Council	Yes, including from Ministry of Finance
Identify and assess new sources of taxes (e.g., tourist taxes at recreation areas)	3 months for design; implementation ongoing	District Health Council	Yes, including from Ministry of Finance
Conduct ongoing search for other resources, including fairs (e.g., patron saints' fairs), raffles, entertainment	Ongoing	District Health Council	Yes, including from Ministry of Finance

4.11 Promote Local Financial and Administrative Management

A truly decentralized health care system devolves authority and control of financial and administrative management to the local level, where decision-making can reflect the anticipated impact of particular courses of action on local development and resources and on the community as a whole.

Activities	Period of Implementation	Responsible Party	Technical Assistance Required?
Design the Control System, including key indicators; rules and standards to be monitored; mechanisms and instruments; frequency of application; responsible parties; etc.	6 months	MSPyBS	Yes, from USAID
Publicize the system among institutions and individuals; conduct training	1 month	MSPyBS	Yes, from USAID
Follow up, gathering feedback and making adjustments as necessary	1 year	MSPyBS	Yes, from USAID

4.12 Improve the Cost, Quality, and Coverage of Health Care

Establishment of interrelated and complementary medical care agreements at the local level can help optimize costs, quality, and coverage.

Activities	Period of Implementation	Responsible Party	Technical Assistance Required?
Conduct qualitative and quantitative inventory of public and private health care institutions in the district	1 week	Health Commission of the Municipal Board	Yes, from MSPyBS
Design program to functionally coordinate efforts and resources to meet needs of urban and rural populations and expand coverage	6 weeks	Health Commission of the Municipal Board	Yes, from MSPyBS
Organize meetings to discuss, buy into, and spur participation in the plan	3 months	Health Commission of the Municipal Board; District Health Council	Yes, from MSPyBS
Review legal frameworks regulating operation of relevant institutions; propose legal changes to facilitate desired coordination	4–6 months	Health Commission of the Municipal Board; District Health Council	Yes, from MSPyBS
Develop collaboration agreements	1 month	Health Commission of the Municipal Board; District Health Council	Yes, from MSPyBS
Organize to implement the new health care system established by the plan; disseminate plan to user community	3 months	Health Commission of the Municipal Board; District Health Council	Yes, from MSPyBS
Implement; evaluate	Ongoing	Health Commission of the Municipal Board; District Health Council	Yes, from MSPyBS

4.13 Promote Innovation in Service Organization and Delivery

Exploration and implementation of innovative forms of organization and service delivery, based on the universal principles of social security, can further optimize costs, quality, and coverage.

Activities	Period of Implementation	Responsible Party	Technical Assistance Required?
Identify local groups and commissions that can participate in programs and health indicators (e.g., cooperatives, mutual associations, clubs, churches)	1 month	Health Commission of the Municipal Board; District Health Council	Yes
Design alternative forms of services these groups can provide, indicating the mutual benefits	1 month	District Health Council; Health Experts	Yes
Negotiate with each group to gain its support	4 months	District Health Council; Health Experts	Yes
Design the implementation of each alternative form of service agreed upon by parties	3 months	District Health Council; Health Experts	Yes
Implement the new forms of services; disseminate information to relevant beneficiaries	3 months	District Health Council; Health Experts	Yes
Monitor; follow up	Ongoing	District Health Council; Health Experts	Yes
Conduct periodic, joint evaluation	Ongoing	District Health Council; Health Experts	Yes

4.14 Institutionalize Quality Assurance

Systems should be implemented to continuously monitor and improve the quality of services and management in all institutions.

Activities	Period of Implementation	Responsible Party	Technical Assistance Required?
Design a general plan for a program of continuous quality improvement	2 months	District Health Council	National and international
Identify groups involved in and affected by local development strategy	2 months	District Health Council	National and international
Profile potential candidates for facilitator of the quality improvement training	2 months	District Health Council	National and international
Select members from each participating group	4 months	District Health Council	National and international
Design training program	2 months	District Health Council	National and international
Train facilitators using "learn by doing"	8 months	District Health Council	National and international
Provide field assistance and support	8 months	District Health Council	National and international
Design rules and quality monitoring system at the intersectoral level	3 months	District Health Council	National and international
Train groups to manage and apply rules	6 months	District Health Council	National and international
Implement rules	Ongoing	District Health Council	National and international
Monitor compliance with rules	Ongoing	District Health Council	National and international
Develop continuous quality improvement processes based on monitoring results	1 year	District Health Council	National and international
Evaluate improvement program	± 1 year	District Health Council	National and international
Prepare program to replicate the methodology in other districts	1 month	District Health Council	National and international
Replicate program in other districts	8 months	District Health Council	National and international

4.15 Integrate Health Care Services

Strengthen the focus on integrated and intersectoral health care focus, the emphasis on promotion and prevention, and the delivery of services exclusively at the primary and secondary care levels.

Activities	Period of Implementation	Responsible Party	Technical Assistance Required?
Identify the local sectors and institutions working in services related to health	6 months	District Health Council	MSPyBS
Design, coordinate, and develop intersectoral programs and materials directed at promotion and prevention	6 months	District Health Council; Health Experts	MSPyBS
Provide training to implement these activities	6 months	Health Experts	MSPyBS
Provide information to community via mass media	Ongoing	Educators; Health Care Workers; Extension Workers; Volunteers; Nursing Assistants	MSPyBS
Execute and monitor activities that directly involve the community	Ongoing	Health Experts	MSPyBS
Evaluate program and impact on community	Annually	HealthExperts; District Health Council	MSPyBS

4.16 Manage the Pilot Decentralization Project Effectively

Activities	Period of Implementation	Responsible Party	Technical Assistance Required?
Identify key sectors, institutions, and individuals to involve in implementing and managing pilot project in the three pilot districts	1 week	Special Team of the Strategic Planning Seminar	Yes
Design the content, materials, and strategies to implement pilot project	1 week	Special Team of the Strategic Planning Seminar	Yes
Sponsor and organize events that apply the strategies with local groups	2 weeks	Special Team of the Strategic Planning Seminar	Yes
Select the team to present the results to higher-level officials within the MSPyBS	1 week	Special Team of the Strategic Planning Seminar	Yes
Present and discuss project with officials in MSPyBS	1 week	Special Team of the Strategic Planning Seminar	Yes
Identify, in conjunction with MSPyBS, key sectors, institutions, and individuals to be contacts for approval and support of the project at the policy level	2 weeks	Special Team of the Strategic Planning Seminar	Yes
Implement among those groups in agreement as often as needed to obtain support	2 months	MSPyBS; Special Team of the Strategic Planning Seminar	Yes
Sign conventions or agreements for intersectoral policy management	3 months	MSPyBS; Special Team of the Strategic Planning Seminar	Yes
Follow up periodically and meet with officials at higher levels to maintain and build support for the pilot project in its integrated form	2 months	MSPyBS; Special Team of the Strategic Planning Seminar	Yes

Annex A: Seminar Participants

Jorge Esteban Acosta

Advisor
Ministry of the Interior (IDM)

Jorge Alonso

Health Auditor
Yacyreta Binational Agency, Ayolas

Ninfa Alvarez

Chief
Health Region XI, Central Department

Graciela Godoy de Arrechea

Director
Regional Center, Misiones

Manuel Ayala

Member
Departmental Health Council, Cordillera

Stella de Bejearano

Director
Health Center, Ayolas

Oscar Benitez Rapetti

Member
Departmental Health Council, Misiones

Hugo Bruno

Director
Health Center, Misiones

Vicente Cappello

Executive Secretary, National Health Council
Ministry of Public Health and Social Welfare
(MSPyBS)

Agustin Carrizosa

Consultant
CIRD (Asunción)

Silvano Centurion

Director
Regional Center, Central Department

Blas Jeronimo Chaparro

Manager
Municipality, Piribebuy

Mirna Cristaldo

Head of Nursing
Health Center, J.A. Saldivar

Roberto Dullak

Vice Minister
Ministry of Public Health and Social Welfare
(MSPyBS)

Victor Jacinto Flecha

Director
COPLAN (Asunción)

Elba Fleitas de Franco

Director
Regional Center, Cordillera

Ruben Gaete

Consultant
CIRD (Asunción)

Blas Gini

Member
District Health Council, Piribebuy

Teresa Leon de Fatecha

Director, Project Coordination Unit
Ministry of Public Health and Social Welfare
(MSPyBS)

Blanca Lopez de Frutos

Director, Municipal Affairs
Ministry of the Interior (IDM)

Atilio Gonzalez
Member
Departmental Board, Cordillera

Deolinda Guzman
Secretary of Health
Governor's Office, Cordillera

José Luis Insfran
Secretary of Health
Governor's Office, Central Department

Edgar Martinez
Assistant, Executive Division
Municipalities Administration of the Ministry
of the Interior (OPACI-IDM)

Motoyuki Matsuguchi
Leader
JICA Project (Asunción)

Mariano Molinas
Director, Governor's Office Department
Ministry of the Interior (IDM)

Andres Vidovich Morales
Minister of Public Health and Social Welfare

Marcial Quiñones Bogado
President
Departmental Board, Cordillera

Hector Ramirez
General Secretary
Municipalities Administration of the Ministry
of the Interior (OPACI-IDM)

Francisco Rivas
Governor
Cordillera

Oscar da Rosa
Director
Health Center, J.A. Saldivar

Egido Ruiz
President
Municipalities Administration of the Ministry
of the Interior (OPACI-IDM)

Emilio Sanabria
Assistant Chief
Ministry of the Interior (IDM)

Americo Villagra
President, Health Commission
Municipal Board, Piribebuy

Doricel Ferreira de Zalazar
Director
Health Center, Piribebuy

Annex B: The Follow-Up Group

A follow-up group was formed and charged with presenting the strategic plan to the institutions and agencies involved in the decentralization process in Paraguay. This follow-up group will also oversee and coordinate the implementation of the plan and will assess the needs of each institution involved for technical assistance, making contacts as necessary to obtain such assistance. The follow-up group is comprised of the following people:

Graciela Godoy de Arrechea

Secretary of Health/Regional Director
Misiones Department

Stella de Bejearano

Director
Health Center, Ayolas

Vicente Cappello

Executive Secretary, National Health Council
Ministry of Public Health and Social Welfare (MSPyBS)

Silvano Centurion

Health Director
Regional Center, Central Department

Teresa Leon de Fatecha

Director, Project Coordination Unit
Ministry of Public Health and Social Welfare (MSPyBS)

Blanca Lopez de Frutos

Director, Municipal Affairs
Ministry of the Interior (IDM)

José Luis Insfran

Secretary of Health
Governor's Office, Central Department

Oscar da Rosa

Director
Health Center, J.A. Saldivar

Americo Villagra

President, Health Commission
Municipal Board, Piribebuy

Doricel Ferreira de Zalazar

Director
Health Center, Piribebuy

Annex C: Program of Activities

Monday, August 5, 1996

- ▲ Registration of Participants
- ▲ Ice-Breaker Exercise: Who Am I?
- ▲ Brainstorming Session: Participants' Expectations
- ▲ Presentation and Discussion of Program
- ▲ Opening Session: Discussion of Strategic Approach to Be Used
- ▲ Decentralization in the Public Sector: Conceptual Framework
- ▲ Presentation, Discussion, and Identification of Opportunities and Drawbacks in the Macroenvironment
 - △ Legal-Political area
 - △ Economic-Financial Area
 - △ Socio-Cultural and Demographic Area
- ▲ Moments of Truth and the Importance of Service to the Client: Current Client Values
- ▲ Presentation, Discussion, and Identification of Opportunities and Drawbacks in the Microenvironment
 - △ Area of Expectations, Needs, Image, and Comfort in Service to the Client-user

Tuesday, August 6, 1996

- ▲ The Administrative Process, Concept, and Phases: Presentation, Discussion, and Identification of Internal Strengths and Weaknesses of Organization under the Administrative Process Approach
 - △ Planning
 - △ Organization and Resource Management
 - △ Management
 - △ Coordination
 - △ Supervision and Control
- ▲ Prioritization of Key Factors to Be Considered in Designing the View
 - △ Group Analysis
 - △ General Discussion and Integration

Wednesday, August 7, 1996

- ▲ Concept of View, Objectives, and Goals
 - △ Individual Construction of View
 - △ Relaxation Technique
 - △ Group Construction of View of the Decentralized Units
 - △ Presentation and General Discussion
- ▲ Matrix for Design of Strategic Objectives
- ▲ Group Design of Strategic Objectives
 - △ Discussion and General Approval of Objectives

Thursday, August 8, 1996

- ▲ Identification of General Characteristics of the Decentralization Model to Be Applied in the Pilot Project and the Roles of Different Participating Agencies
 - △ Discussion and General Integration
 - △ Strategies, Concept, and Importance
 - △ Group Construction of Strategies for Achieving the Objectives Defined
 - △ Presentation and General Discussion of Strategies

Friday, August 9, 1996

- ▲ Matrices for Scheduling: Concept and Uses
 - △ Group Formulation of Operational Programs Based on Identified Strategies
 - △ Presentation and Discussion of Scheduling Designed Matrices
- ▲ Closing Session

Annex D: Background Analysis

Areas and Variables Studied and Applied

Macroenvironment

- ▲ Political-Legal Area
 - △ Government policies and objectives regarding decentralization
 - △ Priority tendencies of the government with respect to the decentralization process
 - △ Level of political support and its characteristics in the decentralization process
 - △ Level of agreements and commitments at the policy level in support of the decentralization process
 - △ Laws in support of the process and their principal characteristics
 - △ Trends and repercussions of state policies and regulations in the process of decentralizing health, especially in terms of privatization of public institutions and/or breakup of monopolies; modernization of the state health sector reform; and changes in the model of care and targeting of special population groups
- ▲ Economic-Financial Area
 - △ Inflation rate trend
 - △ Gross Domestic Product (GDP) trend
 - △ Per capita income trend
 - △ Median family income trend
 - △ Consumer Price Index trend
 - △ Trend of percentage of GDP allocated to health sector
 - △ Trend of distribution of health budget by levels of care

- ▲ Socio-Cultural and Demographic Area
 - △ Trend in total population growth and growth by age group
 - △ Life expectancy
 - △ Educational levels

Microenvironment

- ▲ Area of expectations, needs, and image of service among user-clients
- ▲ User satisfaction with products provided:
 - △ Medications supplied to them
 - △ Quality of specific care provided
- ▲ Satisfaction with services provided:
 - △ Access to and location of services
 - △ Hours of operation
 - △ Timeliness of service
 - △ Information and general guidance provided
 - △ Resolution of problems motivating the visit
 - △ Speed of care
 - △ Comfort and privacy of facilities
- ▲ Perception of prices for services provided:
 - △ Verification of payment
 - △ Possibility of waiver
 - △ Facilities for making payment
- ▲ Image held of health services and institutions
- ▲ Unsatisfied needs and expectations
- ▲ Principle preferences and likes indicated by users

- ▲ Conception of the responsibility for public health care on the part of other organizations
- ▲ Level of community participation in the field of health

Internal Organization

- ▲ Planning
 - △ Agencies responsible for annual planning of activities and requirements for material, technical, financial, and human resources
 - △ Extent and type of participation and coordination of local and regional levels in the planning of activities and resources
 - △ Mechanisms for identifying the needs of the local population. Actions planned on realistic data and needs
 - △ Local diagnoses considered as the basis for planning
 - △ Type and source of the information used to identify local needs to be incorporated in health plans
 - △ Consistency and interaction of health plans at different care levels
 - △ Information systems used to design plans; levels of standardization and systematization of these systems (i.e., mechanisms and instruments for collecting, integrating, issuing, and delivering data)
 - △ Agencies responsible for the design of budgets by levels of care
 - △ Local participation in budgetary design
 - △ Budget technique applied
 - △ Consistency between action plans and the budget allocations
 - △ Equity in budgetary distribution
 - △ Existence of continued quality improvement programs
 - △ Capacity to manage budgetary technique
- ▲ Organization and Resource Management
 - △ Governmental structures participating in the decentralization process at different levels and clarity about their roles, functions, and interrelationships
 - △ Institutions for administrating resources at different levels

- △ Regional and local management capacity for managing and administering financial, material, human, and other resources
 - △ Level of technical training of regional and local officials and existence of development programs
 - △ Number and distribution of institutions and human resources by level of care
 - △ Institutions responsible for selecting and administering personnel
 - △ Mechanisms and criteria for the selection, administration, and performance evaluation of regional and local personnel
 - △ Level of regional and local participation in compensation system
 - △ Current compensation system
 - △ Local participation level and acceptance of voluntary personnel
 - △ Established community representation groups (including regulations on operations and definitions of their roles)
 - △ Existence of support programs for setting up community groups
 - △ Level of development of systems for management and administration of material resources, medications, and supplies in regions and local institutions
 - △ Standardized mechanisms and criteria for management of budgetary resources
 - △ Availability of funds collected by local services
 - △ Existence of programs for quality improvement and efficiency in the use of resources
- ▲ Management (Managerial Capacity)
 - △ Institutions directing health care at the regional and local levels
 - △ Clarity in the decentralization model of the participating actors
 - △ Existence of clear and realistic objectives for the decentralization process
 - △ Precise definition of the roles and responsibilities of the different levels participating in the decentralization process
 - △ Management and supervisory capacity to direct and administer the process of decentralization at different levels
 - △ Level of interest and motivation of local actors in the decentralization process

- ▲ Intra- and Inter-Institutional Coordination
 - △ Existence of agreements on decentralization among those involved
 - △ Levels of coordination and collaboration among the structures dedicated to health at the regional and local level
 - △ Complementarity of action among levels and institutions
 - △ Level of budgetary coordination and integration at local levels
 - △ Formal agencies and mechanisms for analysis and coordination between levels and institutions
 - △ Existence of joint programs

- ▲ Evaluation
 - △ Existence of systems for control of activities, processes, and results at the different levels
 - △ Existence of programs for continuous monitoring of the quality of care at the regional and local levels
 - △ Level of development and transparency of the systems for control of the management and administration of human, material, and financial resources
 - △ Level of automation and development of information systems for management control at the regional and local levels
 - △ Agencies responsible for supervision and control at local levels
 - △ Existence of systems for determining and controlling costs and productivity at the operational level
 - △ Development of local prepayment and cost recovery systems
 - △ Methods for estimating prices and percentages of average amounts collected in relation to the costs of services; impact on self-sustainability
 - △ System of payment of Social Assistance to public institutions for provision of services to insured users
 - △ Level of self-sustainability in local services
 - △ Existence of a system for community control over the efficient use of resources and quality of care

The Current Environment: Opportunities and Obstacles

The seminar participants used official government documents and a limited survey of health care users in the three pilot districts to assess the opportunities and obstacles to decentralization inherent in the current system in certain areas, ranking each area on a scale from -10 (most obstacles) to +10 (most opportunities). Below is a summary of these rankings.

Rating of Opportunities for and Obstacles to Decentralization in Key Areas		
1. Political-Legal Area		
Governmental policies and objectives regarding decentralization		+3
Priority trend of government with respect to decentralization process		+5
Level of political support and its characteristics in the decentralization process		+3
Level of agreements and commitments of political level in support of decentralization		+1
Laws supporting the process and their principal characteristics		+1
Trends and repercussions in terms of the health decentralization process of state policies and regulations, particularly with regard to:		
Modernization of the State		+2
Changes in the model of care and targeting of special population groups		+8
2. Economic-Financial Area		
Inflation rate trend		+8
Gross Domestic Product (GDP) trend		+5
Per capita income trend		+5
Median family income trend		+5
Consumer Price Index trend		+5
Trend for percentage of GDP directed to health sector		+7
Trend in distribution of health budget by levels of care		+7
3. Socio-Cultural and Demographic Area		
Trend in total population growth and growth by age group		+7
Life expectancy		+7
Educational Levels		-8
4. Satisfaction with Services Provided		
Access to and location of services		+4
Hours of operation		+4
Timeliness of service		+4
Information and general guidance provided		+8
Solution of problems motivating the visit		+4
Speed of care		+4
Comfort and privacy of facilities		-2
Perception of prices for services provided		

	Verification of payment	-2
	Possibility of waiver	-6
	Image of health services and institutions	+4
	Unsatisfied needs and expectations	-8
	Principal preferences and likes indicated by users	-8
	Conception of the responsibility of various agencies for public health care	+8
	Level of community participation in the field of health	-5
5. Internal Organization of the Health Sector		
	Planning	
	Agencies responsible for annual planning of activities and requirements for material, technical, financial, and human resources	-10
	Level and type of participation and coordination of local and regional levels in the planning of activities and resources	-8
	Mechanisms for identifying the needs of the local population; planning on the basis of realistic data and needs at different levels of care	+2
	Local diagnoses considered as the basis for planning	+2
	Type and source of information utilized to identify local needs and incorporate them into health plans	+1
	Levels of consistency and interaction of health plans among the levels (national, regional, district)	+5
	Information systems used for the design of plans and level of standardization and systematization of plans (mechanisms and instruments for collection, integration, issuing, and delivery of data)	-5
	Agencies responsible for designing budgets by levels of care	-9
	Local participation in budgetary design	-9
	Budget technique applied	+5
	Consistency between action plans and budget allocations	-7
	Equity in budgetary distribution	-2
	Existence of programs for continuous quality improvement	-10
	Capacity to manage budgetary technique	-10
	Organization and Resource Management	
	Governmental structures participating in the decentralization process in the different levels of the health sector and clarity about their roles, functions, and interrelationships	-10
	Institutions responsible for administering resources at the different levels	+2
	Regional and local management capacity for management and administration of financial, material, human, and other resources	-10
	Level of technical training of regional and local officials and existence of development programs	-10
	Number and distribution of institutions and human resources by level of care	-8
	Institutions responsible for personnel selection and administration	+1
	Mechanisms and criteria for selecting, administering, and evaluating the performance of regional and local personnel	-10
	Level of regional and local participation in compensation system	-10
	Current compensation system	-10

	Level of participation and acceptance of voluntary personnel at local levels	+5
	Established community groups (with operational standards and defined roles)	+5
	Existence of support programs for community groups	-10
	Management and administration systems for material resources, medications, and supplies in the regions and local institutions	+1
	Standardized mechanisms and criteria for managing budgetary resources	-2
	Availability of funds collected by local services	-10
	Existence of programs to improve quality and efficiency in the use of services	-10
Administration (Managerial Capacity)		
	Institutions that direct health care at the regional and local levels	-10
	Clarity of roles for participants in the decentralization model	-5
	Clear and realistic objectives for the decentralization process	n/a
	Precise definition of roles and responsibility of the different levels participating in the decentralization process	-10
	Managerial and administrative capacity to lead and administer the decentralization process at different levels	+1
	Level of interest and motivation among local actors in the process	-10
Intra- and Inter-institutional Coordination		
	Existence of agreements on decentralization among the actors in the process	-10
	Levels of coordination and collaboration among the structures dedicated to health at the regional and local levels	-2
	Complementarity of action among various levels and institutions	-2
	Level of budgetary coordination and integration at local levels	-10
	Formal agencies and mechanisms for analysis and coordination among levels and institutions	-10
	Existence of joint programs	-3
Evaluation		
	Systems for controlling activities, processes, and results at different levels	-2
	Programs for continuous monitoring of the quality of care at the regional and local levels	-5
	Level of development and transparency of systems of control management and administration of human, material, and financial resources	-10
	Level of automation and development of information systems for control of management at the regional and local levels	+2
	Agencies responsible for supervision and control at local levels	+3
	Systems to determine and control costs and productivity at operational level	-10
	Development of prepayment and cost recovery systems at the local level	-10
	Ways to estimate prices and average percentage collected relative to the costs of services; impact on sustainability	-10
	System for payment of Social Assistance to public institutions for providing services to insured users	-10
	Level of self-sustainability in local services	-10
	System for community control over the efficient use of resources and the quality of care	-10

Key Priority Factors Promoting or Limiting the Process of Decentralization in Paraguay

Favorable Forces

Restrictive Forces

Macroenvironment

Level of agreements and commitments at the policy level in support of the decentralization process

Access to and location of services

Level of political support and its characteristics in the decentralization process

Quality of specific care provided

Government policies and objectives regarding decentralization

Laws supporting the process and their principal characteristics

Priority trends of the government in relation to the process of decentralization

Inflation rate trends

Trend for total population growth and growth by age groups

Educational levels

Unsatisfied needs and expectations

Principle preferences of users

Level of community participation

Favorable Forces

Internal Organization of the Public Health Sector

Diagnosis as the basis for planning

Type and source of information used to identify local needs to be incorporated in health plans

Diagnoses as the basis for planning

Level of interest and motivation for decentralization on the part of local actors

Restrictive Forces

Existence of programs for continuous quality improvement

Local participation in budgetary design

Agencies responsible for the annual planning of activities and requirements in terms of material, technical, financial, and human resources

Capacity to manage the budgetary technique

Mechanisms and criteria for selecting and evaluating the performance of regional and local personnel

Availability of funds collected by local services
Existence of agreements on decentralization among actors in the process

Level of development and transparency of systems for control of management and administration of human, material, and financial resources

Formal agencies and mechanisms for analysis and coordination among levels and institutions

Current compensation system

Existence of systems to determine and control costs and productivity at the operational level

Existence of a system for community control over the efficient use of resources and quality of care

Level of self-sustainability in local services

Institutions that direct health care at the regional and local level