NGO Service Delivery Program

Quarterly Progress Report

Third Quarter, FY 2006

(April - June 2006)

Depotholders at JTS Harirumpur, wearing Smiling Sun saris with their ARI timers

NSDP

NGO Service Delivery Program

USAID
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NGO Service Delivery Program

Quarterly Progress Report

Third Quarter FY 2006

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The NSDP NGOs

BAMANEH	JTS	SGS
Bandhan	Kanchan Samity	SHIMANTIK
BMS	KAJUS	SOPIRET
CAMS	MALANCHA SEBA	SSKS
CWFD	MMKS	SUPPS
CRC	NISHKRITI	SUS
DIPSHIKHA ANIRBAN	PKS	Swanirvar
Fair Foundation	Proshanti	TILOTTAMA
FDSR	PSTC	UPGMS
GKSS	PSF	VFWA
IMAGE	PSKS	VPKA

List of Acronyms

ARH	Adolescent Reproductive Health
ARI	Acute Respiratory Infection
BAMANEH	Bangladesh Association for Maternal and Neonatal Health
BCCP	Bangladesh Center for Communication Programs
BMS	Bangladesh Mohila Shangha
C-IMCI	Community Integrated Management of Childhood Illness
CR	Cost recovery
CWFD	Concerned Women for Family Development
CYP	Couple Year Protection
DGFP	Director General of Family Planning
DGHS	Director General of Health Services
DH	Depot holder
DOTS	Directly Observed Treatment Short course
DPT	Diphtheria Part sis Tetanus
EC	Executive Committee
EPI	Expanded Program of Immunization
FDSR	Family Development Services and Research
FP	Family Planning
GIS	Geographical Information System
GoB	Government of Bangladesh
HIV	Human Immunodeficiency Virus
HQ	Headquarters
HR	Human Resource
ICDDR,B	International Centre for Diarrhoeal Diseases Research, Bangladesh
IMCI	Integrated Management of Childhood Illness
IPC	Interpersonal Communication
IUD	Intra Uterine Device
JTS	Jatiya Tarun Shangha
KAJUS	Kalikapur Juba Shangsad
M&E	Monitoring and Evaluation
MIS	Management Information System
MMKS	Madaripur Mohila Kallyan Sangstha
MOCAT	Modified Organizational Capacity Assessment Tool
MOHFW	Ministry of Health and Family Welfare
NIPHP	National Integrated Population and Health Program
NSV	Non-Scalpel Vasectomy

PAC	Post Abortion Care
PD	Project Director
PKS	Paribar Kallyan Samity
PLTM	Permanent and Long Term Method
PM	Project Manager
PNGO	Partner NGO
POT	Program Operations Team
PRA	Participatory Rapid Appraisal
PSF	Polli Shishu Foundation
PSTC	Population Services and Training Centre
QI	Quality Improvement
QMIS	Quality Management Information System
QMS	Quality Monitoring and Supervision
RDF	Revolving Drug Fund
RTI	Research Triangle Institute
STI	Sexually Transmitted Infection
SUS	Samannita Unnayan Sangstha
TB	Tuberculosis
UNICEF	United Nations Children Fund
UPHCP	Urban Primary Health Care Program
URC	University Research Corporation
USAID	United States Agency for International Development

Introduction: Improving NGO Financial Management to Help Smiling Sun Clinics Serve More People

Most project activities support and reinforce each other, but the development of partner NGOs' managerial and financial capacity to sustain the provision of clinical services has an impact on all other areas of activity. This quarter's report begins with a synopsis of initiatives developed over the past four years to help NGOs hone their financial and managerial abilities and to improve the financial management of clinic operations, so that clinic-based health care can more likely achieve meaningful sustainability when the project ends.

A number of important initiatives are underway to help NGOs manage their clinics more efficiently, and serve more customers, both those who can afford to pay for the services they receive and those who cannot. After initially identifying and recruiting the "least advantaged" who live in clinic catchment areas, the project assisted NGOs in introducing a system of Health Benefit Cards (HBCs) for the poorest of the poor. Earlier interventions had experimented with HBCs for paying customers, but NSDP, for the first time, made HBCs available for the very poor, who are unable to pay for services. The cards entitle all listed family members to free health care for one year, including free commodities (supplied by the Government) and some free lab tests. The HBC system has recently been extended to paying customers too. At the same time, headquarters staff worked with NGOs and their clinics to rationalize the prices charged for various services. In many cases, clinics were able to adjust prices, improving revenue, without reducing client flow.

The project also conducted a study of the clinics' cost efficiency and staff use, including an innovative time and motion study. The study highlighted areas for possible improvement. Building on the costing study's results, a computer modeling tool designed to help NGOs analyze their costs and revenues, "CORE", has been provided to project NGOs and is yielding intended results. Using the tool, NGOs can simulate the impacts on cost recovery and other outcomes achieved by fine-tuning variables such as staffing levels, user fees and others. And finally, an innovative performance-based reimbursement scheme which uses program income funds to reimburse clinics for non-paying customers, and provide bonuses to NGOs, clinics and providers for both improving cost recovery rates and increasing the number of non-paying customers served has been piloted, and is being launched with selected NGOs.

Local GoB Official Donates Meds.

Swanirvar's Feni clinic received a large donation of pharmaceutical products from the local civil surgeon. The medicines are Iron Syrup, Paracetamol, Metronidazole, ORS, Doxicyclone and Cotrimoxazole. A range of miscellaneous clinic equipment was also provided. The donation was intended to help the clinic serve the poorest of the poor.

1. Identifying and Serving the Very Poor

Many financial management and cost recovery

efforts inevitably must confront another of the project's central goals: increasing service provision to the very poor, including those unable to pay for the services they receive. Providing service to the poorest of the poor has a negative impact on a clinic's cost recovery rate, since clinics receive no user fees from the poor, yet still face operating costs. Much work in the project's first two years focused on identifying the "poorest of the poor" in each clinic's catchment area. Using a range of methods such as community wealth mapping, and focus group discussions with community leaders, the project helped NGOs and their clinics identify and recruit the poorest of the poor.

Data were collected from June 2003 to August 2003 in communities using qualitative learning tools such as participatory rural appraisal, focus group discussions, and in-depth interviews. Presently 315 Smiling Sun clinics have completed the process of identifying very poor customers. There are 68,268 eligible couples in the catchment areas of these 315 clinics. 273 clinics report that fewer than 5% of their catchment area eligible couples are considered very poor. 55 clinics report that 5-10% of eligible couples in their catchment areas are very poor. And 22 clinics report that more than 10% of eligible couples in their catchment areas are very poor. Among other findings poor clients were shown to prefer government facilities because they offer free services and medicines. The findings led to a number of important initiatives to help NGOs better serve the poor sustainably.

Solar Sari Power

The 38 depotholders of the **JTS** Harirumpur clinic have purchased Smiling Sun branded-saris, as an innovative way of promoting the Smiling Sun clinics and their services. They also possess ARI timers and pediatric cotrimoxazole. They have been trained in use of the timers, and in administering the antibiotic to children and infants suffering from pneumonia, one of the leading causes of child mortality in Bangladesh.

NSDP continues to monitor data on services to the poor. Since April 2004, NGOs have been using a standardized definition of the "least advantaged," or poorest of the poor, that should enable improved comparison and analysis. The definition of "poorest" encompasses households' possession of (or access to) certain assets. Although the project began collecting data on the numbers of poor served, the definitions of poor varied widely, such that paying clients were sometimes counted as poor.

NSDP recognized the need to allow NGOs flexible, context-specific pricing mechanisms allowing clinics to adjust prices to account for competition, customer flow, fee collection rates, clients' socio-economic status, and the cost of providing services. NGOs use flexible pricing policies to charge more for services customers are willing to pay for such as curative care and lab services and these NGOs use the revenue generated to cross-subsidize preventive services for the poor.

2. Re-Introduction of Health Benefit Cards

Following the formative research and identification of the poorest of the poor and the barriers they face in accessing service, NSDP introduced a HBC scheme specifically targeted for the poor. Initially, nine NGOs (managing 39 clinics) provided free HBCs to the identified poorest of the poor. The ability to use HBCs at any Smiling Sun Clinic is a major attraction for more mobile urban customers or rural customers who may travel or move often. The cards offer free services for one year to all listed members of very poor families. Presently 43 clinics have succeeded in ensuring virtually full coverage for the poorest of the poor in their catchment areas –more than 80% of very poor families living in the catchment areas of these 43 clinics now hold HBCs. However, 56% of identified poorest of the poor eligible couples (38,230 couples) living in Smiling Sun catchment areas have yet to receive HBCs.

The relatively new HBCs for paying customers are now being sold by 25 NGOs. A total of 18,962 have been sold as of April 2006. The sales price of the HBCs varies by NGO and clinic. In total, 200 clinics (63% of all the clinics) are now selling HBCs for paying customers.

Community Fun(d) Fair

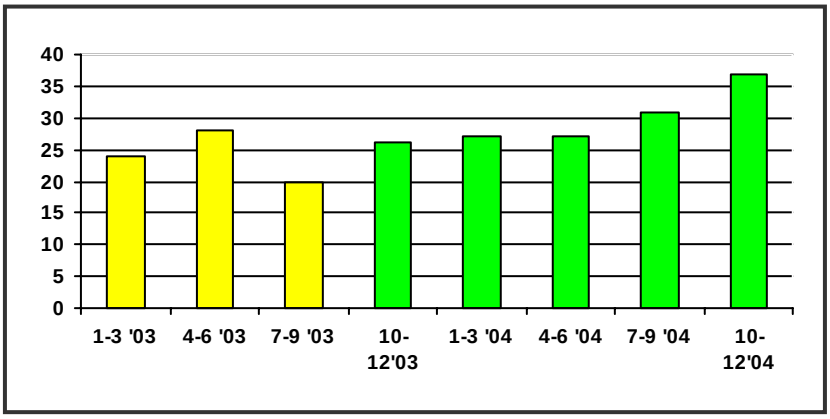
NGO **GKSS** took part in a Folk Fair held at Gaibandha attended by hundreds of people every day for one week in May. The NGO had a stall at the fair, decorated with Smiling Sun promotional materials, at which the TV drama *Enechhi Surjer Hashhi* was shown for fairgoers. The clinic also solicited community donations for serving the poorest of the poor. During the fair a woman became ill and lost consciousness. Smiling Sun providers at the GKSS stall attended to her. She was revived, and referred. Fairgoers were impressed with the quality of care she received.

The community donation jar

3. Rational Pricing

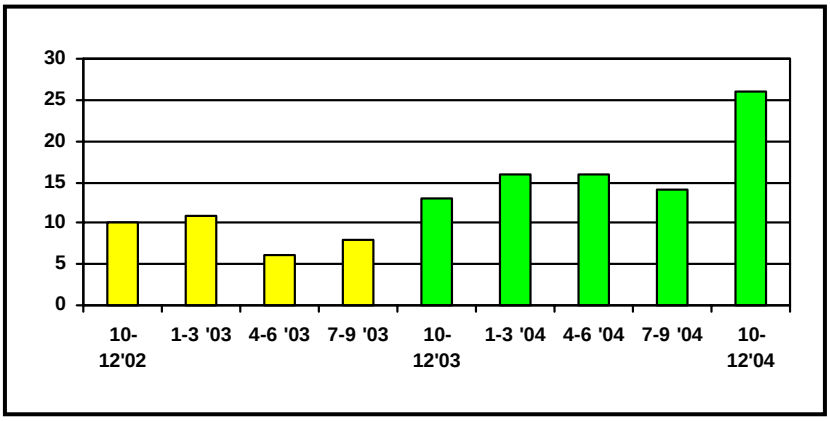
Starting in 2003 NSDP encouraged NGOs to adjust the prices charged for the services provided by clinics. The process of rationalizing prices succeeded in increasing cost recovery rates. As of April 2006, 31 NGOs had taken part in the price rationalization process, involving 128 static clinics (40% of all static clinics) and 72 satellite spots. The average cost recovery increase was 36%. A control group of NGOs, which did not participate in price rationalization saw an average increase in cost recovery of only 17% (one NGO in this control group also saw a decline in cost recovery).

The Effects of Price Rationalization: SSKS



These two graphs present results typical of the impact of rationalizing prices on NGOs' cost recovery rates. The pre-rationalization cost recovery rates are shown in yellow, the post-rationalization rates in green. For SSKS, after rationalization, cost recovery averaged 30% --a rate of increase of 30%. Similarly, for SUS, the pre-rationalization rate was 8.8% and post-rationalization rate was 17%, a rate of increase of 93%.

The Effects of Price Rationalization: SUS



NSDP carried out regression analysis designed to isolate the impact of price rationalization on cost recovery. The NGOs had significantly different initial cost recovery rates, and rates of improvement over time, but regression analysis of quarterly cost recovery rates for all 33 NGOs over a 2 ½ year time period showed an average quarterly cost recovery increase of only 0.15%. But all NGOs involved in the rational pricing exercise improved their cost recovery rates by nearly 5 percentage points.

4. Performance-Based Reimbursement Scheme

NGOs face a disincentive to serve the very poor since serving them incurs costs but generates no revenue, so the donor's support tends to subsidize services for able-to-pay clients, instead of the very poor. This unintended consequence is being rectified by the introduction of an innovative performance-based reimbursement scheme (PBRS).

The PBRS, which was designed based on other successful performance reimbursement schemes, was piloted for 6 months in mid-2005. Key to the pilot's success was the creation of a fund, both seeded and maintained by incremental deposits from NGOs' annual revenue earned by serving more able-to-pay customers. Distributions from the fund are available both to reimburse costs associated with serving those unable to pay, and to reward NGOs and providers for increasing the numbers of very poor clients served. In this way, providers are no longer reluctant to serve those unable to pay, and they become enthusiastic about serving more able-to-pay customers to increase their contributions to the fund and, by also serving more of the poorest of the poor, to receive larger bonuses.

Over the six-month period of the pilot, the intervention group's cost recovery rate increased by 28% (from 20.4% to 26%). However, the control group's cost recovery rate only went up by 12.5% (from 16% to 18%). In the intervention group, the number of very poor clients served increased by 41% (from 8,500 to 12,000). But in the control group, the number of poor served fell by 18% (from 2,800 to 2,300). These results meet tests of statistical significance. Only 14 clinics which participated in the experiment specifically focused on increasing services to the very poor (most NSDP clinics have only recently adopted strategies aimed at increasing services to the very poor). The tables below provide detail.

5. Improving the Cost Efficiency of Smiling Sun Clinics

In addition to boosting revenues, NSDP is also addressing the underlying cost efficiency of Smiling Sun clinics. A study of the unit cost of service provision was carried out with the help of the Human Development Research Center, which included an innovative time and motion study. This was a key component of the research, designed to arrive at objective standards for the ideal length of time required to provide each of the clinical services. There are objective standards for quality of health service provision, but never before in the Bangladeshi health sector have researchers attempted to arrive at objective estimates of "standard time" required to provide high-quality service.

The study revealed that Smiling Sun clinics spend just as much time with clients unable to pay as they do with paying customers. However, challenges remain. Client flow followed a very uneven pattern: 58% of all clients visit clinics in only two of the nine hours each day the clinics are open (10:00 am to noon). In rural clinics this effect is more pronounced: almost half (48%) of rural clinics' clients come in one hour.

Clinic staff spend significant portions of each day in downtime or overhead activities. And this finding holds by type of provider and location. As much as 150-180 minutes per day are spent in downtime activities, and 130-230 minutes per day are spent in overhead activities (including administrative tasks, and training), although some of the downtime activities are considered allowable (such as lunch breaks). The time and motion component of the study revealed that providers spend less than the ideal time which should be necessary to provide service. In many cases, doctors and paramedics completed service delivery tasks in half the time (or less) than the objective "standard time" estimates suggest.

6. CORE

In Bangladesh, NGOs are generally not well-acquainted with cost analysis and their lack of knowledge impedes the development of interventions designed to improve efficiency and reduce costs. The consultants hired to carry out the costing study recommended that NSDP design a simple computerized cost analysis tool and train NGO staff in its use. Since the study concluded, the CORE (COst and REvenue) tool has been adapted for use by Smiling Sun NGOs. At present some NSDP headquarters staff and 3 trainers from Smiling Sun clinics have been trained in CORE and now function as "master trainers". CORE helps NGOs easily identify which areas of service provide greater cost recovery rates, and which areas are less financially successful. Armed with this information, NGOs can plan marketing campaigns to enhance revenues from more productive areas, and to increase demand, where necessary, from underperforming services. With the benefit of this information NGOs can more easily plan to cross-subsidize some less financially sustainable services with revenues generated by more profitable services.

Cash Donation to Serve the Poor

NGO **Shimantik**, has a good friend in Mr. Syedur Rahman. Not only does Mr. Rahman, who resides in the UK, allow Shimantik to operate its Beanibazar clinic in one half of his home, but also, on one of his recent trips to Bangladesh he was motivated to make a large cash donation to the NGO specifically intended to help Shimantik serve more of the poorest of the poor. Here he is shown presenting Tk. 10,000 to Shimantik Project Director Humayun Kabir.

The CORE analysis currently underway is helping NGOs develop strategies involving readjusting fees, collecting fees and clinic and staff use rates. The NGOs have found the CORE results quite surprising in some areas. For example, fee collection rates are too low, because of the propensity of clinics to accept partial payment for services. As well, the NGOs are now more able to pinpoint under-used staff, and can reassign them to areas where there is greater need. CORE is also highlighting areas of underperformance in service provision, which NGOs can address by improving marketing plans.

KAJUS' Very High HBC Sales Rate:
The Secrets of Their Success

Some NGOs are selling HBCs far quicker than others. **KAJUS** is the leader in selling HBCs, having sold almost 100% of the cards with which they were supplied. Here are the successful strategies employed at KAJUS

- Service providers always explain the merits of HBCs to both paying and non-paying customers, and they do so at the start of counseling sessions.
- The NGO places emphasis on ensuring appropriate counseling from all levels of service providers and clinics.
- Satellite teams carry HBCs with them, and always try to sell them wherever they go, including clients' homes.
- Service providers receive a commission from selling HBCs,
- The static clinics have many repeat customers, especially for ANC services; when told about the HBCs they're interested in buying in order to reduce the fees they pay.
- A small number of Kajus clients are relatively affluent. KAJUS has developed a "VIP" card for them, so they receive preferential treatment.

OBJECTIVE 1: EXPAND THE RANGE AND IMPROVE THE QUALITY OF THE ESSENTIAL SERVICES PACKAGE (ESP) PROVIDED BY NGOS AT THE CLINIC AND COMMUNITY LEVELS

1. PKS Opens Implant Training Center

Even though implants have been available in Bangladesh since 1985, the Mohammadpur Fertility Services and Training Center (MFSTC), in Dhaka has until recently been the only training center in Bangladesh. Demand for trained providers has far exceeded (MFSTC's) capacity, and so the DGFP took the lead in seeking out alternative training institutions. And Engender Health, through its Access Quality and Use in Reproductive Health project, was also searching for an implant training facility outside of Dhaka. On the basis of a strengths and weaknesses analysis, a Smiling Sun clinic facility managed by PKS in Jessore was selected to become the first implant training center outside Dhaka. The MoU between Engender Health and PKS was signed on 11 June, 2006 and the first graduating class of new trainees will complete training by the end of July 2006.

Peer-to-Peer Learning

The **GKSS** Monitoring Officer was unable to attend an earlier Continuous Technology Update/ Clinical Skills Standardization training session, and so when **Kanchan** was planning on holding a similar session for their medical officers and paramedics, NSDP was able to facilitate some intra-NGO cooperation, and the GKSS Monitoring Officer was invited. He attended the Kanchan training and provided cascade training to others at GKSS.

2. Seven Million Doses of Oral Polio Vaccine Administered

In mid-April, Smiling Sun clinics all over Bangladesh participated in the national polio immunization campaign to immunize children under age 5. Bangladesh had been polio free since the year 2000 until mid-March when a malnourished child became afflicted with a wild strain of the virus believed to have originated in Uttar Pradesh. The Government of Bangladesh aimed to provide 20 million oral polio vaccination doses in each of three rounds of vaccinations which took place in mid-April, May and June. In the third round Vitamin-A (for children aged between 1 and 5) and Albendazole (for children aged

Dr. Saikhul Islam Helal (left) and Dr. Robert Timmons of NSDP administer OPV to a child at Harirumpur, near Dhaka.

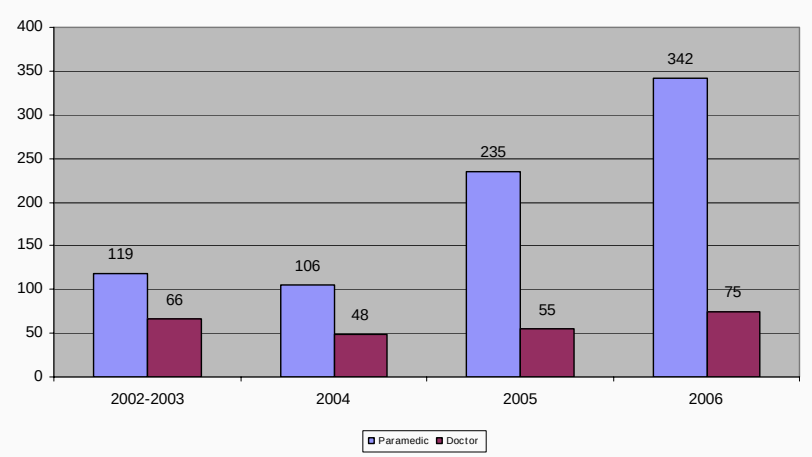
between 2 and 5) were also provided. During these national immunization days Smiling Sun clinics organized vaccination centers in peri-urban areas of Dhaka City Corporation for the first time. Approximately 7 million doses of OPV; 1.6 million doses of Vit-A and 1.2 million doses of Albendazole were administered.

PSTC, PSF and CWFD received approval from the civil surgeon (Dhaka) to provide routine EPI services in 27 peri-urban catchment areas.

3. All 317 Smiling Sun Clinics Now Offer IMCI Services

Expanding IMCI has been a project goal since NSDP began operations. Over the past four years a total of 1,046 service providers (including 802 paramedics and 244 doctors) have taken part in the 11-day clinical management course on IMCI, so that presently, 82% of all Smiling Sun service providers have taken the course and now possess enhanced case management skills: before being referred, clients receive necessary treatment, and their caregivers are counseled. Consequently, the overall quality of child health services provided has improved. NSDP is now the GoB's most significant partner in the implementation of IMCI services in Bangladesh.

IMCI-Trained Service Providers



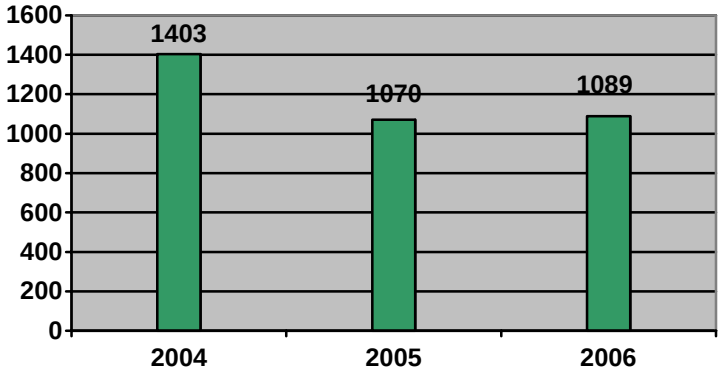
IMCI Expansion by Year (clinics)

Year	2002	2003	2004	2005	2006	2007	Total
F-IMCI	15	57	60	72	113	0	317
C-IMCI	0	0	33	25	29	69	156

NSDP has also been placing much emphasis on community-based IMCI services. 3,562 depot holders from 86 NSDP clinics practice C-IMCI and promote community case management of

children under 5 suffering from ARI, diarrhea and with other danger signs. NSDP has plans to implement the "Demonstrative Comprehensive Model of C-IMCI" in one catchment area involving village doctors and community-based health service providers.

Depot Holders Trained in C-IMCI



4. Updated QMS Tools Distributed

NSDP has revised and re-distributed the tools and database for the QMS based on recent technical updates and because more clinics are now offering services beyond basic ESD. These tools are:

a. The QMS Observation Job Aid – Includes updates on existing clinical indicators and additional indicators on laboratory quality, IMCI, TB, safe delivery and post-abortion care for clinics offering those services.
b. Facilitators' Guide – Prepared as a guiding tool to ensure uniformity in assessing quality of care.

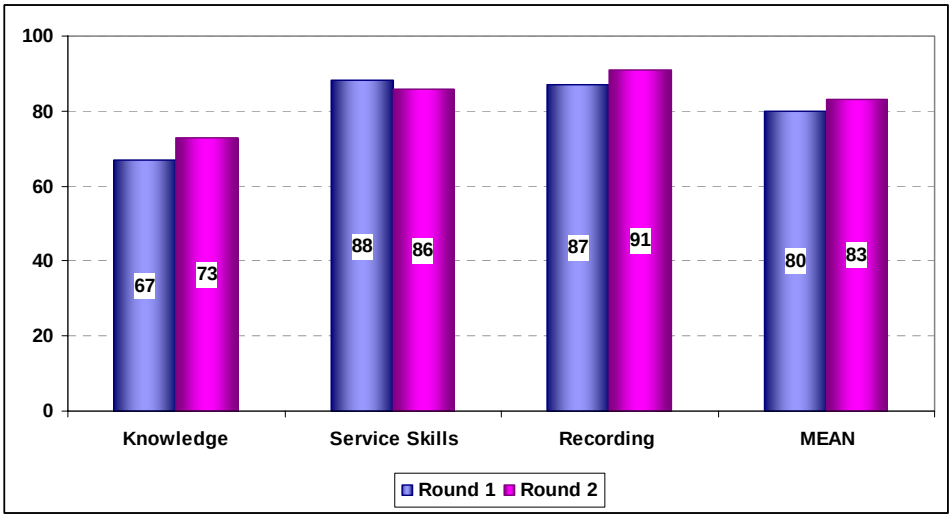
These tools were revised incorporating input from the NGOs. They have been distributed to all NGOs and are being used for the current round of QMS.

5. Fourth Round QMS Data Show Improvements

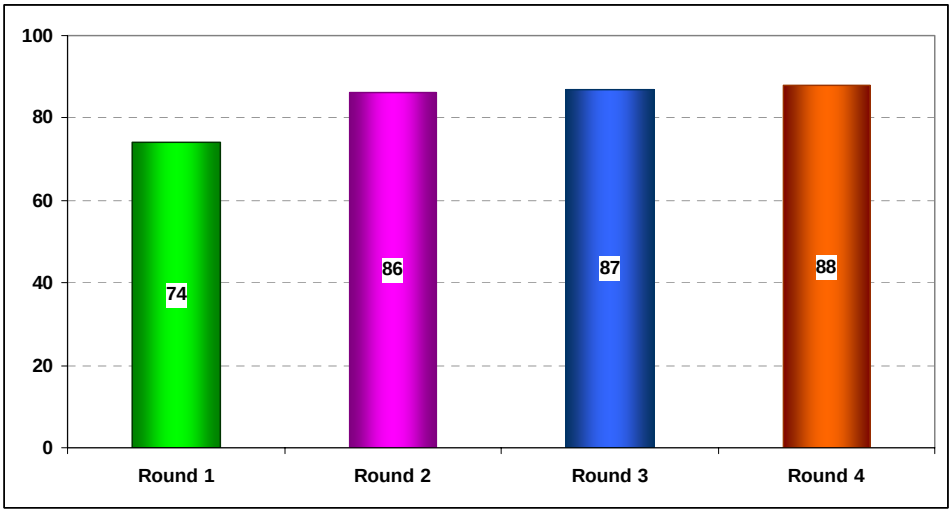
The QMS is a semi-annual activity which NGOs conduct jointly with providers at the clinics to assess and monitor their level of service quality in the major components of ESD. To date, four full rounds have been completed. The mean score for Round 4 is 83%, with individual scores of 73% for overall knowledge, 86% for service delivery and 91% for record keeping. A total of 278 clinics completed the fourth round.

These scores show some improvement from the previous round, especially in terms of provider knowledge and record keeping practice. Improvement may be partially attributed to the providers' Clinical Skills Standardization activities conducted between April and December 2005. These activities were intense on-site mentoring and coaching activities at the clinic level, in the areas of FP, counseling and infection prevention. This is further illustrated by the steady increase in the composite score for family planning services over time.

Changes in QMS Scores between Rounds 3 and 4



Changes in Scores of Family Planning Services



OBJECTIVE 2: INCREASE THE USE OF THE ESSENTIAL SERVICES PACKAGE, ESPECIALLY BY THE POOR

1. Airing of ESH Concludes with Final Service Promotion Campaigns

The 7-month long airing of NSDP's popular entertainment-education TV drama serial *Enechhi Shurjer Hashi* (ESH) ended in May. The final episodes coincided with the final service promotion campaign. There were a total of 6 service promotion campaigns. The last campaign promoted family planning services. For one week, all FP services were provided free, and customers were also given a free calendar and a free dangler.

2. Rafique Billboards and Display Boards Distributed

Fifty billboards featuring promotional messages directed at men on the topic of safe delivery and containing the image of Md. Rafique were distributed nationwide.

A display board (shown here) also containing messages on safe delivery and childbirth preparation was produced and distributed this quarter. All 317 clinics now have these display boards, which are intended to be placed in public areas where men will see them. The displays also provide free leaflets.

3. TV Ad Aired in Cinemas

A one-minute commercial, originally intended to be broadcast on TV, was adapted for airing in cinemas, and shown in 12 cinemas. The commercial was shown before the main feature, at least three times a day, for roughly one month. Feedback suggests that this pilot be expanded, but that cinemas closer to Smiling Sun catchment areas be selected.

4. Rickshaws Advertise the Smiling Sun

Rickshaw tin plates have been produced and distributed, each containing the name and address of a local Smiling Sun clinic and the name and logo of the NGO responsible for that clinic. The NGOs are to produce 25-30 tin plates for each clinic and, working with local rickshaw committees, are to see that they are affixed to local rickshaws.

5. "Mystery Client" Extended to 4 More NGOs

The "mystery client" pilot conducted last year which aimed to improve the interpersonal communication skills of providers is being expanded. CWFD, Swanirvar, Tilottama and JTS have begun deploying mystery clients to all of their clinics. Clinic managers and "mystery clients" have been oriented on the concept, and on their roles and responsibilities.

6. World Health Day and International Midwives Day Observed.

World Health Day and the International Midwives' Day were both observed by Smiling Sun clinics. Local rallies and campaigns were held. On World Midwives day, the White Ribbon Alliance for Safe Motherhood assisted NSDP in taking out a full-page display in the Bangladesh Observer outlining NSDP's maternal and child health services. In safe delivery clinics that day, providers wore white ribbons and clinic managers presented paramedics with red roses.

7. Job Aid Distributed

A job aid on AFP and AEFI was produced and distributed to paramedics.

8. Sisimpur Season I Purchased for All Smiling Sun Clinics

NSDP concluded negotiations with Sesame Workshop, (New York), USAID Education (Bangladesh) and Nayantara Communications and has purchased 317 sets of VCDs containing the entire first season of the very popular Bangla-language children's TV show, Sisimpur. The first season's themes emphasize child nutrition, hygiene, health and cleanliness. Clinics are being urged to arrange showings of the TV show at times when child health services are being offered at special promotional rates, and/or during periods when the clinics are generally underused, in an attempt to improve client flow in off-peak hours.

Halim, one of the stars of Sisimpur, shown visiting the Smiling Sun booth at America Week, Chittagong. Paramedics took the man-eating tiger's blood pressure and, finding it high, counseled him to eat more fruits and vegetables.

OBJECTIVE 3: INCREASE THE CAPACITY OF NGOS TO SUSTAIN CLINIC AND COMMUNITY SERVICE PROVISION

1. Many New Income-Generating Services Added

The NSDP NGOs have added several new income-generating services, intended to boost their cost recovery rates and enhance financial sustainability. Two clinics, PSTC Rampura and PKS Jessore, began offering safe delivery including c-section services in this quarter. 28 clinics (managed by CWFD, FDSR, PSF, PSTC, Swanirvar, and Tilottama) opened laboratories. Swanirvar opened 26 Health Care Marts, and 6 clinics began offering ultra-sonagrams (IMAGE Nasirabad, Nishkriti West Bakalia, PKS Jessore, PSTC Rampura and Jatrabari, Tilottama Naoda Para).

2. Seven NGOs Build Eleven New Clinics

Most Smiling Sun clinics operate from rented facilities, so the construction of new buildings, owned by the NGOs to house the clinics, has a significant impact on NGO sustainability by eliminating the necessity of making rental payments. In 2005-6, USAID approved the construction of eleven new clinic buildings using program income. All eleven new clinics were completed by the end of June 2006.

NGOs Move Clinics into Newly Constructed Facilities

Swanirvar inaugurated two newly constructed clinic buildings, one at Madhupur, Tangail on June 5, 2006 and the second one at Debigonj on June 28, 2006. Swanirvar held inaugural ceremonies involving community people and the GoB. These two buildings were constructed using accumulated program income funds. **Proshanti** also relocated the Maizdi clinic (on May 31st) to their newly constructed building. And **Sopiret's** Laksam clinic is ready to provide services from their new building.

Mr. Belayet Hossain, USAID (PHN) and Mr. S. M. Al-Husainy, Chairman, **Swanirvar** Bangladesh, in front of the new Debigonj clinic in Panchagore district.

Completed New Clinics

NGO	Type of Clinic	# of Clinics	Cost (Taka)
UPGMS, Rangpur	Type B = 1	1	1,109,250
PROSHANTI, Noakhali	Type B = 1	1	1,109,250
PKS – Jessore	Type A = 1	1	3,022,500
SGS, Gopalganj	Type E = 1	1	763,750
PSF, Dhaka	Type D = 2	2	1,989,000
Swanirvar Bangladesh, Dhaka	Type D = 4	4	3,978,000
SOPIRET, Laksmipur	Type E = 1	1	763,750
7 NGOs	Total 11 clinics		12,735,500

3. NGOs Learn How to Use Cost and Revenue Tool

The CORE modeling tool is being introduced to selected project NGOs. This quarter, a Bangla-language guideline on its use was developed. Subsequently (6 NGOs, PKS-K, Kanchan, SSKS, Bamaneh, BMS and PSTC) received orientation on the use of the tool. NGO staff (including PDs, FAMs, MIS Officers and EC contact persons) took part in these 3-day training sessions.

Cost and Revenue Information Generated by CORE

	PKS	Kanchan	SSKS	BAMANEH	BMS	PSTC
Cost recovery, FP	20%	19%	7%	28%	20%	7%
Cost recovery, MCH/Obstetric care	21%	20%	20%	22%	28%	19%
Cost recovery, curative care	65%	32%	16%	16%	29%	13%
Average cost per services (Taka)	27	19	48	23	22	32
Average net revenue per service (Taka)	6	5	5	5	6	4
Average surplus/loss per Service (Taka)	-21	-14	-43	-18	-16	-28
Average percentage of costs recovered	25%	28%	19%	22%	31%	16%

The sessions are conducted by NSDP and NGO trainers. After being introduced to the CORE model, the NGO staff spend 2 days entering the data for their clinics and on the third day the data are summarized and analyzed using the CORE tool. Using a performance improvement approach, root cause analyses are done, interventions are planned, and action plans for clinics are devised. NSDP will assess the success of the intervention in future months.

4. Performance-Based Reimbursement Scheme Launched

The performance-based reimbursement scheme (PBRS) was launched on July 1st. Selected NGOs received a one-day training at which the scheme was explained. The necessity of increasing cost recovery rates, and serving more of the poorest of the poor (including providing services with medication) was explained as essential to eligibility for bonuses. A brief orientation on the Tiahrt Amendment restrictions was also provided. NGOs are prohibited from setting numerical targets for FP services. Bonus payments are initially planned on a quarterly basis. After 3 months NSDP will examine whether any modifications in the operation of the PBRS are required.

5. Ambassador Butenis Recognizes Chevron's Donation of an Ambulance to SSKS

U.S. Ambassador Butenis attended a ceremony marking Chevron Corporation's donation of a new ambulance to the Smiling Sun Clinic established with Chevron's financial support in May 2005 near the Bibiyana Natural Gas Field at Habiganj. The ceremony took place at the headquarters of SSKS in Sylhet. The Ambassador toured the clinic along with SSKS General Secretary Mr. Belal Ahmed, and USAID Senior Health Advisor, Mr. Belayet Hossain.

In her remarks at the ambulance donation ceremony, Ambassador Butenis noted that, working together, the development partners, the Government, and good corporate citizens like Chevron, have been able to achieve significant improvements in family health and quality of life. The Ambassador concluded her speech by exhorting other successful corporations to emulate Chevron: "I say to others doing business here, both internationally and domestically, look to the example set by Chevron and ask yourselves, "How can I help?" "What can I do to make a difference?"

Ambassador Butenis (center) with SSKS President Asadur Rahman and Andrea Meier of Chevron.

OBJECTIVE 4: INFLUENCE POLICY, IN COORDINATION WITH OTHER DONORS, TO EXPAND THE ROLE OF NGOS AS PROVIDERS OF THE ESP

1. PLTM Coordination Committee Holds First Meeting with Directorate General of Family Planning

The first meeting of the PLTM coordination committee following a long hiatus, chaired by Dr. M. A. H. M. Bareque was held on April 4, 2006. At the meeting, a decision was made that DHs will now be used to educate community members about all methods of contraception, including PLTM. Clinics with operating theater facilities will hold sterilization sessions each month at which skilled providers will be present. The knowledge and skills of NSDP providers on PLTM will be assessed and the GoB will provide appropriate training where necessary.

The committee also recommended that, pursuant to NSDP's one-year extension, GoB affiliation of Smiling Sun clinics should be extended for a further year as soon as possible. The committee also decided to review the Smiling Sun clinics' referral mechanism to ensure there is no duplication of reporting, and also that meetings be held with project NGOs and DGFP as soon as possible to allow the NGOs to share any concerns they have with the essential services package. The committee added 4 news members, one each from Swanirvar, PSTC, FPAB and EngenderHealth.

2. NSDP makes Presentation to Local Consultative Group of PHN Sector Development Partners.

NSDP made a presentation to the Local Consultative Group of PHN Sector Development Partners on project achievements to date. The presentation focused on efforts to serve the poorest of the poor, NGO sustainability, and Government-NGO-Corporate sector collaboration.

3. UPHCP II Consultations with Heads of Local Government Bodies Completed

UPHCP II was launched on July 1, 2006 in all 6 city corporations and 5 municipalities. NSDP and UPHCP will follow the same model for service delivery in all areas. In all areas (except one, Madhabdi) project NGOs have been providing services since at least 1997 –three years before UPHCP began in 2000. UPHCP I (2000-2006) covered only the four major City Corporations; UFHP in 2000 and then NSDP in 2003 concluded an MoU with UPHCP I to avoid duplication of services and thereby enhance efficiency and resource utilization. NSDP began collaborating with all relevant stakeholders in 2005 to achieve the goal of developing an efficient framework for sound collaboration between UPHCP and NSDP. Based on the outcome of consultations, the method of collaboration among the NGOs from the two projects will be agreed upon soon.

ANALYSIS OF SERVICE STATISTICS; UPDATE ON PROGRAM OPERATIONS; STATUS OF COMPLIANCE

1. Improved Success in Meeting Service Contact Targets

Smiling Sun providers made over 7 million service contacts in the third quarter; the project continues on course to meet most FY 2006 targets.

NSDP Achievements Relative to Goals

Objectives	Achievement	Projection for FY06	Achievement in Q3 compared to projection for FY06	
	FY05		Achieved	% achieved
# Service-contacts (million)	26.500	29.150	7.162	25%
CYP (million)	1.205	1.325	0.342	26%
CYP for non-clinical contraception (million)	1.128	1.241	0.330	27%
# of family planning visits (million)	9.438	10.382	2.662	26%
# STI/RTI cases treated (million)	0.955	1.051	0.198	19%
# PNC 1 services provided (million)	0.253	0.278	0.063	23%
# ANC 3 (million)	0.290	0.319	0.067	21%
# TT2 doses given to women (million)	0.418	0.460	0.095	21%
Total child immunizations provided (million)	3.387	3.726	0.758	20%
# of children immunized against measles (million)	0.311	0.342	0.085	25%
# of CDD cases with some dehydration treated (million)	0.173	0.190	0.035	18%
# of children treated for pneumonia (million)	0.169	0.186	0.041	22%
# of confirmed TB cases managed for treatment	3715	4087	1,122	27%
% of clients that are poor	19	21	17	81%
% of cost recovery	21	27	19	70%

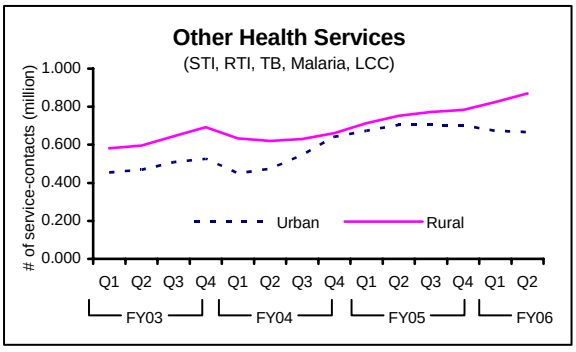
In the third quarter of FY 06 the project met its targets for overall service contacts, family planning visits and for distributing contraceptives. The number of service contacts for ANC and PNC care lagged slightly, as did results from some of the child health indicators --visits for immunizations and CDD (though the latter fluctuates seasonally). Complementary GoB campaigns, such as the measles-catch up campaign, and the national immunization days for polio have an impact on NSDP service statistics. TB services provision continues to perform well. The slight under-performance in service provision to the very poor continues. As in the previous quarter, only 17% of all service contacts are with the poor (against an annual target of 21%). Cost recovery is 19%, the same as in the second quarter of FY 06. This remains of concern, and it is hoped that many of the interventions discussed earlier will assist in improving the aggregate NGO cost recovery rate. The aggregate cost recovery number masks significant variation, however.

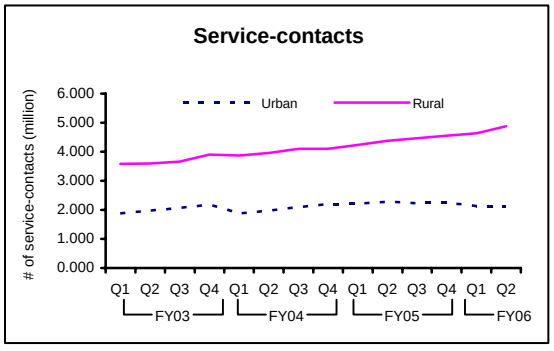
NSDP Achievements Relative to Goals: Historical Perspective

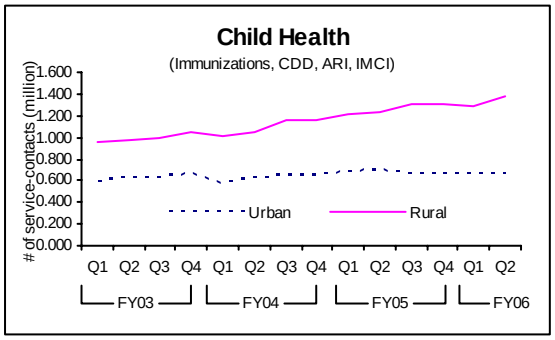
Indicators	Year					Quarter				
	FY04		FY05		% change in FY05 compared to FY04	Mar-May 05		Mar-May 06		% change in FY06 compared to FY05
	Achieved	*% achieved*	*Achieved*	*% achieved*		*Achieved*	*% achieved*	*Achieved*	*% achieved*	
# of service contacts	24.182	96	26.6	96	10	6.654	96	7.162	94	7
% of clients that are poor	14	143	19	94	36	19	93	17	67	-9
CYP (million)	1.14	123	1.205	105	6	0.299	104	0.342	103	14
# of family planning visits (million)	9.195	102	9.489	95	3	2.363	95	2.662	97	13
Total child immunizations provided (million)	2.984	93	2.91	82	-2	0.721	82	0.758	78	5
# of children immunized against measles	0.324	89	0.328	82	1	0.074	75	0.085	78	15
# of CDD cases with some dehydration treated	0.199	81	0.17	63	-14	0.044	65	0.035	47	-20
# of children treated for pneumonia (million)	0.149	96	0.167	97	12	0.042	98	0.041	87	-2
# of PNC1 service provided	0.241	86	0.253	82	5	0.062	81	0.063	74	2
# of ANC3 service provided	0.284	84	0.293	79	3	0.073	78	0.067	66	-8
# of TT2 doses given to women	0.439	85	0.421	74	-4	0.104	73	0.095	60	-9

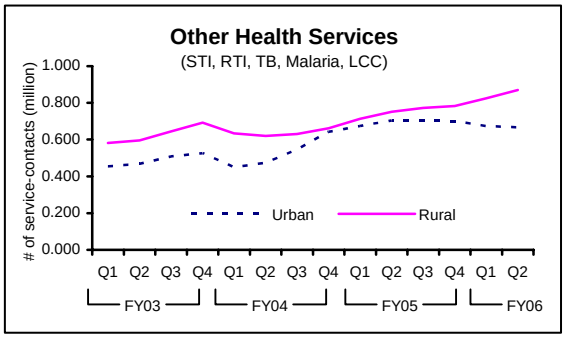
Indicators	Year					Quarter				
	FY04		FY05		% change in FY05 compared to FY04	Mar-May 05		Mar-May 06		% change in FY06 compared to FY05
	Achieved	*% achieved*	*Achieved*	*% achieved*		*Achieved*	*% achieved*	*Achieved*	*% achieved*	
# of deliveries performed from safe-delivery centers	2554	106	3423	130	34	695	105	889	136	28
# of women received comprehensive post-abortion care services	169	39	102	24	-40	24	22	20	20	-17
# of STI and RTI cases treated (million)	0.813	87	0.955	92	18	0.244	95	0.198	70	-19
# of confirmed TB cases managed for treatment	3285	76	4475	110	36	847	83	1122	110	32
% of cost recovery	18	78	20	80	11	21	84	19	70	-10

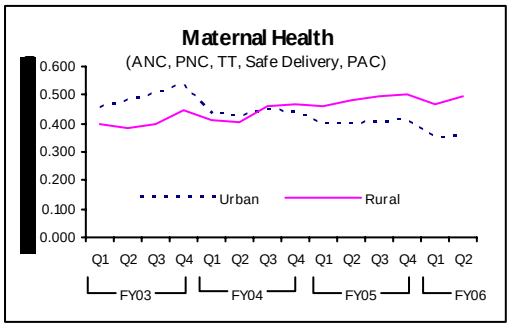
The following graphs show quarterly service contacts at rural and urban NSDP clinics by type of service from FY 2003 through the second quarter of FY 2006. Rural clinics experienced more rapid growth in overall service contacts than did urban clinics. In some urban catchment areas use of services (for example, contraceptive use and childhood immunization) is already high in both the public and private sectors so increases in service contacts are less likely. However, analysis shows that declines in service contacts are greater in urban clinics. NSDP's urban clinics should work to ensure that existing customers continue to seek services from Smiling Sun Clinics, as well as to attract new customers who are not satisfied with their current health care. The use of essential services in rural areas is still relatively low so it's important to attract new rural clients.

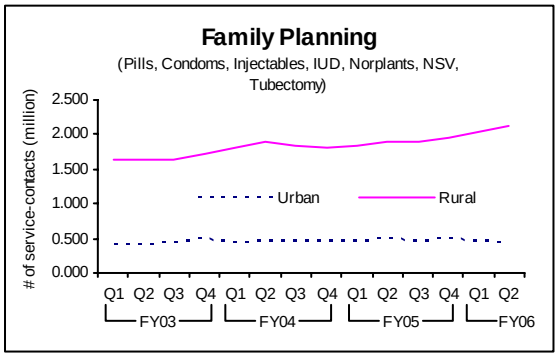












2. NSDP Rededicates Itself to PLTM

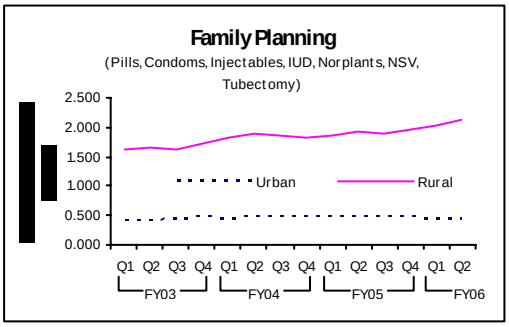
Family planning service contact data show two patterns: first, family planning service contacts and couple years of protection (CYP) have grown appreciably over the years, especially in rural areas, but PLTM service contacts have fallen. Second, although the number of overall family planning service contacts is considerably lower in urban areas than in rural areas, CYP is comparable in both areas. This is because service contacts for Norplant, NSV and tubectomy are higher in urban than in rural areas.

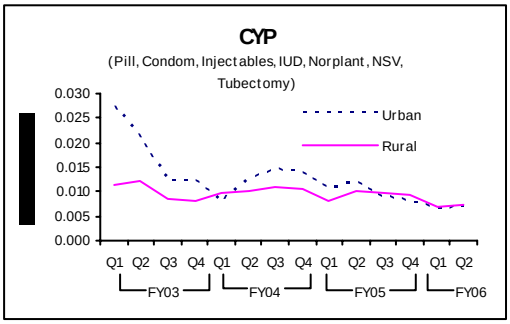
The poor performance of PLTM is associated with (a) clients' attitudes about using PLTM (including ignorance about potential benefits), (b) NSDP's past PLTM service delivery strategy, and (c) NGOs' adherence to, and sometimes misinterpretation of the Helms and Tiahrt amendments, and MCP. NSDP will implement a strategy to address these issues, and will rejuvenate PLTM activities in FY 2007. NGO

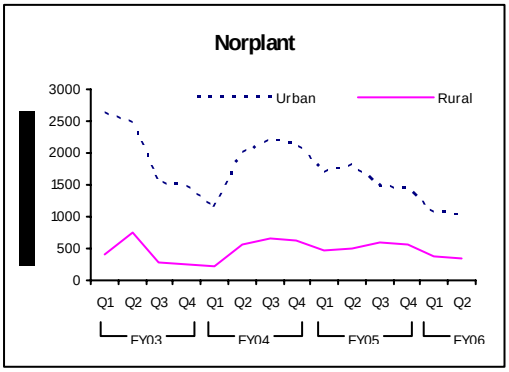
Kanchan Networks with Local GoB

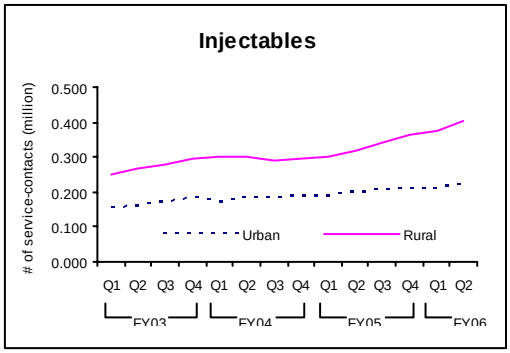
Kanchan Samity in Dinajpur invited a local DGFP dignitary, a clinician, and the local Assistant Director for Clinical Contraception to co-facilitate their recent series of in-house trainings on infection prevention, counseling and family planning. This has not only strengthened relations between Kanchan Samity and the local GOB personnel; it has also demonstrated the GOB's endorsement of the technical updates that were discussed. This helped augment staff commitment and motivation to adopt changes in service delivery.

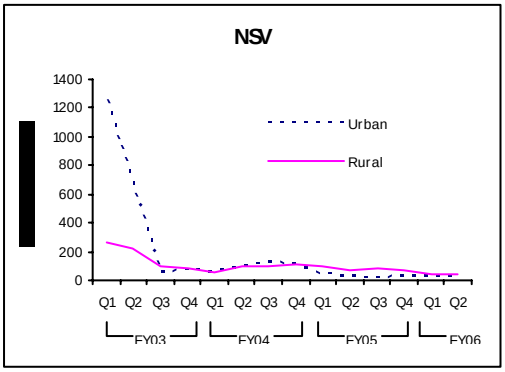
managers and providers have become discouraged about offering PLTM services because of the established policies and restrictions. So NSDP will orient NGOs to policy boundaries associated with Helms, Tiahrt, and MCP restrictions. In addition, NSDP will implement a BCC/M strategy, which will include training of counselors, paramedics, and other clinic staff, as well as improved follow-up of PLTM customers at the community level.

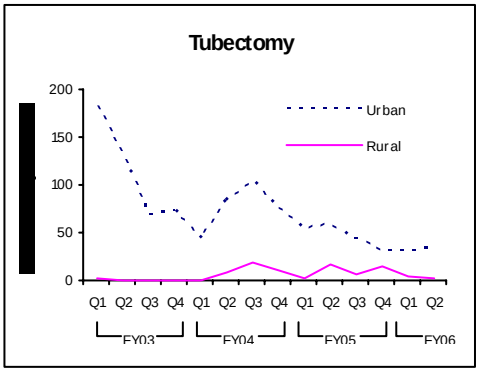


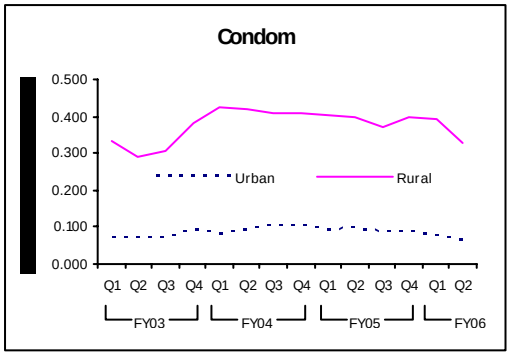


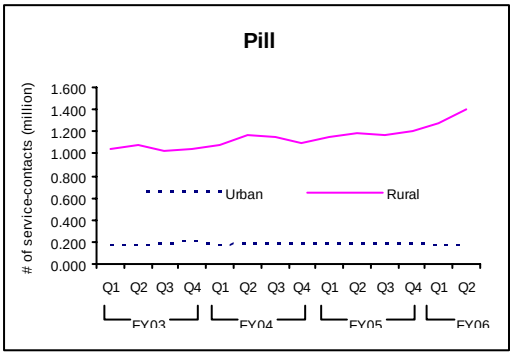


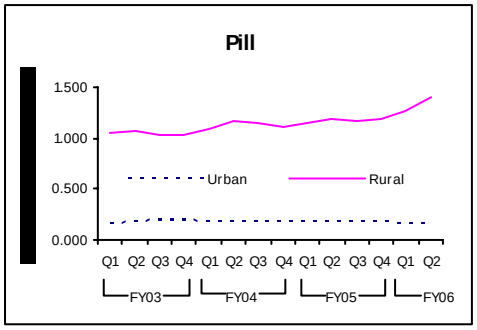












Commitment to Quality

Dr. Reaz Ahmed Shakil, a Clinic Manager from **Proshanti**'s Feni clinic, has volunteered to assist Proshanti with quality monitoring at all 4 of their clinics. Here he is shown providing assistance to a Proshanti headquarter MIS officer on QMS data entry and analysis. He continues not only to visit all of Proshanti's sites, but also to mentor and coach clinic and NGO staff on quality improvement.

3. Training on Logistics Management

NSDP held three training sessions, in collaboration with deliver/JSI (each attended by 50 NGO staff and regional program coordinators) designed to improve the logistics of contraceptive supply. The training sessions dealt with (a) how the logistics mechanisms function at the upazilla level, (b) improved record-keeping to reduce stock-outs, (c) improved supportive supervision and on-the-job training, and (d) storage of contraceptives and other commodities. The training sessions are intended to be cascade sessions.

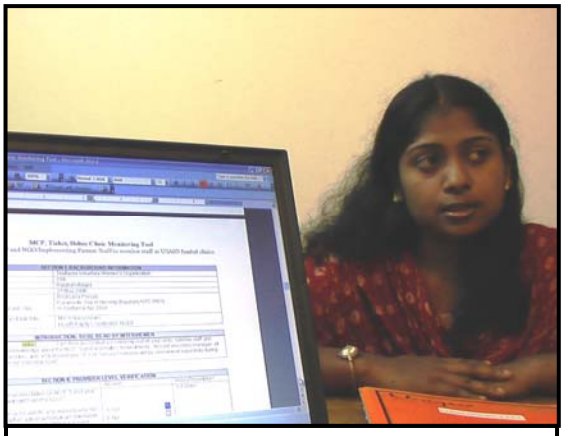
4. MCP, Tiahrt and Helms Monitoring

This quarter, NSDP headquarter and regional staff visited 91 clinics (90 Smiling Sun clinics and 1 non-USAID funded clinic) including 1 safe delivery clinic and 2 hard-to-reach clinics as well

as 6 NGO headquarters. We assessed 769 clinic staff on their knowledge of MCP, Tiahrt and Helms restrictions, including 2 project directors/project managers, 83 clinic managers, 3 medical officers, 251 paramedics, 112 SP/SPOs, 45 counselors, 84 clinic aids, 171 Depot Holders and 18 others.

Virtually all respondents (99.3%) had received orientation on MCP, Tiahrt and Helms. No service providers provided or promoted abortion or MR services as a method of family planning. No staff said they had been asked to meet targets or quotas or had provided incentives to clients to become family planning acceptors or acceptors of a particular family planning method. 99.0% of NGO personnel are aware of the exceptions permitted under the MCP. 94.1% of NGO are aware of the consequences of violating the MCP.

In this quarter[1], about 55% of clinics received monitoring visits from either NSDP staff or NGO staff. 81% of the Smiling Sun clinics held refresher courses on the requirements, and 96% of 156 clinics held debriefing sessions with Depot Holders on MCP. None of the NSDP clinics and none of the non-NSDP clinics provided any passive responses nor did they refer any clients under any special circumstances.



Administering the MCP monitoring tool to a Smiling Sun paramedic at **Tilottama**'s Nawdapara clinic. (She passed).

5. NGO HQ Monitoring

NSDP conducted monitoring visits at NGO headquarters to ensure adequate documentation at NGO headquarters levels. Use of the sub-recipient monitoring tool generated the following results:

1. NGO management demonstrated awareness of project monitoring status.

2. Presence of compliance related documents: All 6 of the monitored NGOs have the "Pathfinder International Standard Provisions of award to non-US Organizations". 2 of the 6 NGOs have written resolutions regarding their position on abortion /MR as a method of family planning. 67% of the monitored NGOs have human resource policies in place regarding their position on the performance of abortions/MRs by their staff.

[1] Available for April and May 2006 only.

6. Budget

NSDP financial information will be provided to USAID under separate cover.

Auditor Lends a Helping Hand

Mr. Obed Pandit, a Senior Manager with the chartered accounting firm of Qasem and Co, visited one of the BAT(B)-funded **Dipshika** satellite spots to perform a routine financial audit. But when he arrived at the clinic at 10:00 he was amazed to see the size of the crowd. Realizing that the doctor and his paramedic were fully occupied seeing patients, he set aside his clipboard and calculator and volunteered to help manage the running of the satellite spot that day. He organized the clinic's clients, and performed crowd control. His driver knew the names of the medicines available too and also pitched in to help. "After one hour I was planning to leave for the audit of books at the head office but ultimately found that it will be wise to stay with the team and help them in controlling the patients… It was a very difficult thing to do as all the patients were at hurry and wanted to be attended first. It was 3 PM when all the patients were attended, nobody was able to take lunch, and we closed every thing to return."

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