

First Annual Progress Report

February 15, 2005

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First Annual Progress Report

Project: Local Enhancement and Development
(LEAD) for Health

Reporting Period: 1 October 2003 to 31 December 2004

Contract No.: 492-C-00-03-00024-00

Period: 1 October 2003 – 30 September 2006

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Local Enhancement and Development (LEAD) for Health Project

First Annual Progress Report (October 1, 2003 – December 31, 2004)

A. Technical Information

Background

In September 2003, USAID/Manila awarded Contract No. 492-C-00-03-00024-00, a cost reimbursable contract, to the Management Sciences for Health to provide the required technical and logistical assistance for implementing the Local Enhancement and Development (LEAD) for Health Project.

The LEAD for Health Project is USAID's prime activity to attain its Strategic Objective No. 3, which is "Desired Family Size and Improved Health Sustainably Achieved." The attainment of the Mission's SO #3 is premised on the achievement of four intermediate results (IRs):

1. LGU provision and management of FP/MCH/TB/HIV/AIDS services strengthened
2. Provision of quality services by private and commercial providers expanded
3. Greater social acceptance of family planning achieved
4. Policy environment and financing of services improved

The Social Acceptance Project (TSAP) that is being implemented by the Academy for Educational Development addresses IR #3, while Chemonics International's Private Sector Mobilization for Family Planning (PRISM) and Philippine Tuberculosis Initiatives for the Private Sector (PhilTIPS), and the Micronutrient Operational Strategies and Technologies (MOST) Project address IR #2. The Infectious Disease Surveillance and Control Project (IDSCP) of the New Tropical Medicine Foundation contributes to the achievement of IR #1 by strengthening LGU capacities for surveillance and control of TB and other infectious diseases. The Enhanced and Rapid Improvement of Community Health (EnRICH) Project also addresses IR #1, but its geographic coverage is limited to the Autonomous Region in Muslim Mindanao (ARMM).

LEAD is designed to achieve IR #1 and #4. It is also USAID's medium for continuing its assistance to promote and provide family planning (FP) services, improve maternal and child health (MCH), control tuberculosis (TB), and prevent the spread of HIV/AIDS in the Philippines.

The LEAD for Health Project. The purpose of the LEAD Project is to support the priority programs of the Department of Health (DOH), primarily family planning, TB-DOTS, Vitamin A, HIV/AIDS, and MCH. The support is in the form of strengthening the service provision capacities of municipalities and cities, to which the responsibility of

delivering and financing these services has been devolved under the Local Government Code of 1991. Improving LGU capacities involves: a) building up the financial, managerial, and technical capacity to provide FP and the selected health services; and b) improving the policy and legislative framework at both national and local levels to finance and support these programs.

Because of LEAD's focus on service improvement by LGUs (which also includes an increased role for private sector services), the Project is structured in such a manner as to make the target LGUs (selected municipalities and cities) as the primary clients, with DOH, the Philippine Health Insurance Corporation (PHIC), Commission on Population (POPCOM,) and leagues of cities and municipalities as collaborating agencies consistent with their national mandates and policies.

LEAD's collaboration with DOH, PHIC, and POPCOM takes place at multiple levels in the health system, including:

1. at the national level for policies, program guidelines, technical strategies, and regulatory (licensing, certification, and other quality assurance) requirements;
2. at the regional level for direct support to LGU initiatives, service referrals, and technical support; and
3. at the LGU level, which are the service points where the governance and service capacity improvement strategies are being carried out.

DOH, POPCOM, PHIC, USAID, and the leagues of cities and municipalities participate in work planning, quarterly benchmark reviews, and technical discussions as members of the Project Advisory Group (PAG). Selected program managers of DOH, POPCOM, and PhilHealth compose the Project's Technical Advisory Group (TAG), which also participates in quarterly performance reviews. MSH is using a project management and performance measurement model adapted from the Health Sector Reform Technical Assistance Project (HSRTAP) which was likewise financed by USAID.

LEAD is being implemented within the framework of the DOH health sector reform agenda. LEAD for Health coordinates its activities with those of other government agencies such as the Department of the Interior and Local Government (DILG), cooperating agencies of USAID and other donors, and leading NGO initiatives addressing the four priority programs.

MSH has submitted quarterly performance progress reports (five have been submitted since project inception) and a semi-annual report to USAID. Hence, this first annual progress report, which covers the period October 1, 2003 to December 31, 2004 is a summarization of the semi-annual and five quarterly reports that have been previously written and submitted.

The submission of this semi-annual report is in compliance with Office of Regional Procurement (ORP) Notice No. 18 (a.1 and a.2) issued on August 19, 2003, which requires cost-reimbursable contractors to submit, among others, an annual, substantive

report covering the status of the work under the contract, including an administrative report, within 45 days of the end of the period being covered.

Scope and End-of-Project Deliverables. The LEAD for Health Project has an initial life of three years beginning October 1, 2003, and ending on September 30, 2006. At the end of the initial three-year contract period, the Project should have achieved significant progress towards achieving the following national targets:

1. Total fertility rate (2006) – 2.7
2. Contraceptive prevalence rate (modern, 2006) – 40%
3. TB treatment success rate (2006) – at least 70%
4. HIV seroprevalence among registered female sex workers – <3% annually
5. Vitamin A supplementation coverage – 85% annually

Additionally, the Project has included as end-of-project targets the increase of TB case detection rate to 70%, and the behavior surveillance of other HIV/AIDS high-risk groups such as men who have sex with men (MSM), and injecting drug users (IDUs). No quantitative target has been set for the second additional end-of-project deliverable.

LEAD is also targeting the adoption and implementation of a contraceptive self-reliance (CSR) initiative nationally and in the target LGUs by the end of the Project. Another end-of-project goal is the significant improvement of national and local policies and regulations, so as to enable LGUs to increase support, including financing, for FP and the selected health services.

Implementation Approach and Strategies. In order to attain and sustain the Project's end-of-project deliverables, LEAD implementation must cover at least 35% of the Philippines population. It, therefore, plans to enroll around 530 municipalities and cities to participate in the project, whose aggregate population is projected to reach 34.2 million in 2005, which will be nearly 40% of the projected total Philippines population of 86.2 million in that year. Each participating LGU must cover at least 80% of its *barangays* (villages). To achieve the desired impact, LEAD will provide technical and logistical assistance so that all project LGUs will meet the following governance and service capacity development targets:

Governance

1. Increased share of FP/TB/HIV/AIDS/MCH in the total municipal/city budget, especially for contraceptive procurement;
2. Ordinances enacted, such as a local health code, that articulate official support to and provide adequate financing for FP and selected health services;
3. Formulation and adoption as an official policy of a local CSR+¹ plan (that covers FP, TB-DOTS, HIV/AIDS, and Vitamin A supplementation);
4. Enrolment of indigents in the National Health Insurance Program; and

¹ CSR+ plan and strategies cover implementation strategies, guidelines, and plans that aim to establish sustainable programs not only for contraceptive self-reliance, but also for TB-DOTS, HIV/AIDS, and selected MCH services.

5. Adoption, as official policy, and implementation of an LGU plan for strengthening services and improving quality of FP, TB-DOTS, HIV/AIDS, and Vitamin A supplementation, including private sector services, to meet community needs.

Family Planning and Health Systems

1. A functional health information system;
2. Increased access to quality modern contraceptive supplies and services, including voluntary surgical sterilization and IUD;
3. The Rural Health Unit (RHU) is *Sentrong Sigla* Level 1 certified, and accredited by PHIC as provider of TB-DOTS and outpatient benefit packages;
4. The RHU is providing routine Vitamin A supplementation to sick children;
5. All HIV/AIDS sites are implementing interventions and improved surveillance and education activities, especially for high-risk groups such as injecting drug users and men having sex with men;
6. Reduced rate of drop-out among pill and DMPA users;
7. An expanded health volunteer network; and
8. Increased collaboration with the private sector.

The above targets are also called *intermediate results* (IRs) or *LGU performance targets*. The main tools that LEAD will employ to achieve them are the provision of technical assistance to all target LGUs, and cash grants to selected LGUs. TA that will be provided will be in the areas of governance, and capacity development in FP and selected health services. LGUs that meet the eligibility criteria that the Project will set and agree with USAID will receive cash grants that will be disbursed upon meeting pre-agreed performance benchmarks. The system and procedures for administering the performance-based grants, including the benchmarks that will be used and how they will be measured, are being negotiated and developed collaboratively with USAID. The entire grants concept, system, process, and procedures, however, are subject to USAID review and approval.

The modes of TA provision to LGUs that are being utilized are indefinite quantity contracting of service implementation organizations (SIOs); simple short-term technical assistance; in-house technical staff; regional offices of DOH, POPCOM, and PhilHealth; provincial health office staff; and through the Project's subcontractors.

Major Activities Undertaken During the Reporting Period

The MSH strategy to implement the LEAD for Health Project technical assistance contract divides the contract period into five phases:

1. Start-up phase (October 2003 to January 2004)
2. Test phase (January to July 2004)
3. Initial roll-out phase (July to December 2004)
4. Peak performance phase (January to December 2005)

5. Project assessment phase (January to September 2006)

The first year of LEAD spanned the first three of the Project's five implementation phases, as was intended and planned. Because of the Project's complexity, the large number of life-of-project LGUs it has to enroll, and the need to attain significant progress towards achieving the end-of-project deliverables, LEAD set the following major goals to accomplish in its initial year:

1. Organize, staff, and equip the project office;
2. Demonstrate the acceptability and marketability of the LEAD Project concept to LGUs;
3. Develop, test, and refine assessment tools, technical assistance instruments and delivery mechanisms, and LGU engagement processes;
4. Demonstrate the feasibility of rapid scaling up of LGU coverage; and
5. Identify the most appropriate and responsive policy instruments to support the governance and service delivery reforms being promoted at the LGU level.

The Project carried out the following major activities during the reporting period:

1. Start-up phase activities
 - a. Project mobilization
 - b. Partners mobilization
 - c. Selection of project LGUs
 - d. Preparation of the Year 1 Work Plan
2. Test-phase activities
 - a. Development and application of the LGU engagement process
 - b. Development of assessment tools and technical assistance instruments
 - c. Full operationalization of field offices
 - d. Organization of Regional Technical Assistance Teams
 - e. Strengthening ties with project collaborators
 - f. Development of technical strategies
 - g. Development of systems and procedures for provision of TA and performance-based grants to LGUs
3. Initial Roll-out phase activities
 - a. Enrollment of 283 LGUs
 - b. Provision of TA to enrolled LGUs
4. Component 2 activities
 - a. Provision of TA to DOH Technical Working Group to formulate the Philippines contraceptive self-reliance (CSR) policy

- b. Development of Pangasinan as the CSR operations research site of LEAD
 - c. Local dissemination of CSR policy and AO 158
 - d. Review of existing policies, laws, and regulations affecting the provision and financing of FP, TB-DOTS, HIV-AIDS, and MCH services
5. Development and application of the LEAD Performance Monitoring and Evaluation Plan

Accomplishments and Progress Made During the Reporting Period

The LEAD for Health Project gained noteworthy progress during its first year of implementation. The major successes are in the following areas:

Enrollment of a large number of LGUs. As early as the mid-point of its first year of operation, LEAD was able to interest 15 cities and 130 municipalities in nine provinces to participate in the Project. This exceeded the 110 LGUs that the Project targeted for enrollment in Year 1. As of December 31, 2005, a total of 283 LGUs were enrolled under LEAD. Of these, 145 LGUs are now implementing their governance and service capacity development plans to meet the 13 performance targets, and 138 are at various stages in the LGU engagement process.

The LEAD concept appeared to hold tremendous appeal as evidenced by the huge interest the Project generated among LGUs. However, the strategies and approaches the Project employed undoubtedly contributed to a large degree to the impressive LGU enrollment accomplishment. These include the early and full operationalization of the Project's field offices, the continual adjustment of the LGU engagement process, the formation and utilization of regional technical assistance teams, and the adoption of the provincial approach. The shift to the provincial approach in the selection of target LGUs was spurred by two factors. Firstly, the Project has to invoke the support of the provincial leadership and system of governance. Then, too, the Project has to spend for the establishment of certain service delivery support structures and systems at the provincial level so that project LGUs can implement their work plans effectively and achieve the 13 governance and service capacity IRs that are needed to attain the LEAD end-of-project goals.

If the Project has to make these types and levels of investments, it would be most efficient to enroll as many as there are eligible LGUs in a province.

Gains in policy work. A key achievement of LEAD is its substantial contribution to government efforts to clarify and formulate the Philippines contraceptive self-reliance policy and its implementing guidelines. The Project's efforts resulted in the health department's issuance of Administrative Order No. 158. Despite its limiting title — Guidelines on the Management of Donated Commodities Under the Contraceptive Self-reliance Strategy — AO 158 is actually a clear articulation of the elements of the CSR policy. It defines the roles and responsibilities of the various offices of DOH, PhilHealth,

and POPCOM, as well as LGUs that now have the responsibility for FP service provision under the CSR initiative. It also provides the CSR policy's implementation guidelines.

LEAD conducted local orientation workshops to disseminate the CSR policy and AO 158. It also organized planning workshops to enable project LGUs to develop their local CSR initiatives.

The Project likewise made remarkable strides in its operations research work in Pangasinan. This province serves as LEAD's field laboratory for examining and analyzing operational issues and for testing practical approaches related to the local implementation of CSR policies. Important lessons gleaned from the Pangasinan OR activities were shared with the rest of the LEAD LGUs.

In Year 1, LEAD completed the review and analysis of policies, laws, and regulations governing the provision of FP, TB-DOTS, HIV/AIDS, and Vitamin A supplementation services. Fifty-nine laws, regulations, and policies were reviewed. The resulting report constitutes a significant input to the policy reform agenda that LEAD will pursue to create a more favorable policy environment for the financing and provision of these selected program services.

Strong ties with collaborating institutions. The notable progress the Project charted in its first year can be attributed, to a large measure, to its efforts to strengthen its working relationships with its major technical collaborators — DOH, PhilHealth, and POPCOM. LEAD organized a partnership meeting that was attended by the Secretary of Health, the President of PhilHealth, the Executive Director of POPCOM as well as key officers, at the central and regional offices, of these three agencies. The initial meeting served as an extremely useful dialogue that enabled LEAD to identify concrete areas of collaboration and forge a strong alliance with its prime collaborating institutions. It clarified and initiated the unification of approaches to strengthen LGU capacities for FP and health services promotion. It also served to further clarify the government's family planning policy.

To vigorously pursue the agreements that were reached during the partnership organizational meeting, the Secretary of Health formed a technical inter-agency committee composed of DOH, PhilHealth, POPCOM, and LEAD representatives. The committee meets regularly to discuss technical issues affecting the strengthening of LGU capacities for financing, and provision of the four program services that LEAD is supporting, thereby ensuring the relevance and correct direction of the Project's activities.

Completion of the PHN strategy for ARMM. In Year 1, LEAD's major contribution to ARMM is the assistance it provided in completing the formulation of the region's population, health, and nutrition strategy. The strategy, which has been discussed with and concurred to by DOH and PhilHealth, will serve as the framework for the assistance that these two agencies will extend to ARMM. It will also be used as the instrument to coordinate and harmonize external donor assistance in the PHN sector that will be

funneled to this developing region. The activities of LEAD in ARMM are being planned and implemented within the ambit of the PHN strategy.

Sustainability initiatives. Early in its first year, LEAD began to draw the framework and implement a strategic plan that will ensure the continuity of the Project's agenda beyond its life. In the course of its implementation, LEAD will address sustainability issues at two levels. The first is how the technical assistance support that it is providing to project LGUs to strengthen their capacities for quality FP and health services provision can be sustained when the Project ends. The second is how the project LGUs themselves will be able to sustain the provision of quality FP, TB-DOTS, HIV/AIDS, and MCH services to their constituents.

The Project is addressing the first-level sustainability issue through the regional offices of DOH, PhilHealth and POPCOM, and the provincial health offices. LEAD has laid the foundation for the long-term collaborative partnership that it will cultivate with these agencies, which will eventually capacitate them to continue providing capability-building support services to LGUs beyond the life of the Project. As earlier mentioned, LEAD organized and supported the Partners for Health meeting that was actively participated in by the Secretary of Health, the President of PhilHealth, the Executive Director of POPCOM, and the regional directors of the three collaborating agencies. The meeting forged a strong bond among the collaborating parties, and enabled them to reach a common agreement on clear and concrete areas of collaboration.

As an initial step to capacitating the regional offices of DOH, PhilHealth and POPCOM, the Project formed and activated 11 regional technical assistance teams (RTATs). Members of the RTATs are key technical staff of the regional offices of the three collaborating agencies as well as senior provincial health office technical staff. The teams play major roles in implementing LEAD, particularly in the areas of LGU engagement, work planning, capacity building, advocacy, and networking. The activation of the RTATs contributed significantly to the Project's high rate of LGU engagement in its initial year.

Local initiatives that will ensure that project LGUs are able to sustain the provision of quality FP and selected health services are embodied in the 13 IRs. (The IRs are also referred to as governance and service capacity development targets, or LGU performance targets.) The achievement of the 13 IRs is the main basis for providing technical assistance and other forms of support to LEAD LGUs. All IRs are assigned at least one measurable indicator, and are tracked quarterly as measures of LGU performance.

Gains in local advocacy work. The organization of local advocacy networks that champion the sustained financing and provision of quality FP, TB-DOTS, HIV/AIDS, and MCH services is another area where LEAD gained major headway in Year 1. These support groups influence local governance to initiate actions that are needed to meet the LGU performance targets. The Project was able to organize four new advocacy groups in its first year. These include the Mayor-Doctors for Health, an aggregation of local chief executives who are medical doctors; the Davao Health Advocacy Network in Davao City;

the HANAS-Dabaw in Davao del Norte; and the Baguio City Advocacy Network for Health and Population.

Dynamic working relationships with governors and mayors. LEAD has been successful in initiating dialogues and engagements with the league of provinces (LPP) and of municipalities (LMP) to fulfill its task of strengthening local level support for, and the management and provision of FP, TB, and other selected health services. LMP is one of the implementing partners of LEAD and is an active member of the Project Advisory Group. The Project utilized LMP as a medium for disseminating the government CSR policy and its implementing guidelines contained in DOH AO 158. As a result, the LMP passed a resolution to implement the reproductive health and responsible parenthood program in all municipalities, with the municipal mayor as the lead implementing official.

LEAD organized a presentation of the CSR policy and implementing guidelines before an LPP general assembly meeting, with 41 governors attending. A significant number of governors signified their intent to allocate funds to implement the policy. They also agreed on the steps and immediate actions to take to carry out their individual provincial CSR initiatives. In setting its LGU engagement targets, the Project prioritizes provinces whose governors confirm their interest and intention to implement the CSR policy.

Good working relationships with other USAID cooperating agreements (CAs). The Project has established functioning and mutually satisfying work relationships with other USAID CAs, principally with those that have major responsibilities in meeting the four intermediate results of Strategic Objective 3. LEAD is the coordinating project for attaining IR 4 of USAID's SO3 framework, and works closely and collaboratively with PRISM and PhilTIPS on matters of policy support for increased private financing and provision of FP and TB-DOTS services, respectively. LEAD serves as the repository of all IEC materials on FP, TB-DOTS, HIV/AIDS, and MCH programs produced by USAID-funded projects. LEAD meets monthly with The Social Acceptance Project (TSAP) to closely collaborate and coordinate work on FP advocacy, IEC, and behavior change communication. IEC materials that TSAP has developed and pretested are made available to LEAD for use in its project LGUs.

LEAD is working with the DELIVER Project of John Snow International to design and develop the corresponding training modules of a central and a local logistics management system to support the implementation of the CSR policy, that are commonly applicable to both LEAD and non-LEAD LGUs. LEAD has started to coordinate its activities with the EnRICH Project in Sulu, particularly on community-based health activities. The Project also initiated discussions with the Infectious Disease Surveillance and Control Project to assess the Field Health Service Information System of the DOH. In terms of its work on Vitamin A supplementation, LEAD is applying the experience and knowledge that Helen Keller International has accumulated over the years. LEAD is exploring opportunities for collaborative work with the Micronutrient Operational Strategies and Technologies for long-term sustainability of Vitamin A supplementation through food fortification.

Performance Monitoring and Evaluation Plan (PMEP). LEAD has fully developed, and has begun implementing and applying the plans and various tools for monitoring and measuring performance. The PMEP tracks three levels of performance: overall project performance, LGU performance, and the impact of LEAD on the strategic objective indicators. Project performance is measured through the quarterly benchmarks setting and review processes, which LEAD has been implementing since the first quarter of Year 1.

LEAD has formulated the indicators of the 13 governance and service capacity development targets (or LGU performance targets) that all project LGUs will aim to achieve. It has likewise designed the system and developed the tools for monitoring the indicators, which are being tracked quarterly as measures of LGU performance. The Project has also completed the preparation of the impact evaluation plan.

Progress of LEAD's policy work (Component 2) is being tracked through the indicator monitoring system and the quarterly project performance review process.

Status of Work Against Year 1 Goals

LEAD achieved most of the goals that it set for Year 1. The Project was organized, staffed, equipped, and made fully functional within four months of project inception. Within six months, the three area offices were established, and the Project's force of 12 field coordinators (FCs) were all hired, trained, and deployed. That the project concept is sound, and is acceptable and marketable to local chief executives were proven when LEAD was able to interest 145 cities and municipalities to participate in the Project even before the first year of operation ended. This number exceeds the 110 that the LEAD Year 1 Work Plan targeted.

The objectives of the test phase, however, were not fully met. The LGU engagement process was developed, applied, and continuously refined as the LGU enrollment activity went on. The in-depth assessment tools were devised, and the results of the initial testing suggested the deferment of their application to the work plan implementation stage. There was a delay in the development of the service implementation organization-based system of providing large-scale technical assistance to LGUs. Consequently, only four SIO indefinite quantity contracts (IQCs) were awarded, and this happened towards the close of LEAD's first year, thus precluding the confirmation of the SIO's effectiveness as a medium for large-scale TA provision to LGUs. The Project exerted considerable effort to develop and flesh out the performance-based grants program. However, it encountered setbacks in finalizing the grants proposal as well as further delays in the USAID review and approval process. As a result, the Project failed to establish the implementation feasibility of the performance-based grants during its first year. The workability of the performance-based grant thus remains an outstanding issue that has to be addressed during LEAD's second year.

Although LEAD achieved significant progress in enrolling LGUs to participate in the Project, there was an inordinate time lag between enrolment and actual implementation of the LGUs' governance and service capacity development plans. The major causes of the

delay included problems the Project encountered with the initial engagement process which focused on enrollment; delay in the development of and unforeseen difficulties in the initial application of in-depth assessment tools; and the slow progress that LEAD made in formulating, finalizing, and obtaining approval of its technical strategies.

The delay in completing the test phase has prevented the Project from demonstrating fully the feasibility of rapid scaling up of LGU coverage. Meeting, or even exceeding enrollment targets, has minimal significance unless the Project has an arsenal of proven effective methods of providing the technical and logistical assistance that a large number of enrolled LGUs require to achieve their performance targets.

The Project made considerable progress in initiating activities that will lead to the adoption of policy instruments that support and promote the sustained financing and provision of quality FP, TB-DOTS, HIV/AIDS, and MCH services. A notable accomplishment was LEAD's ability to assist the government in articulating and promoting a clearer and more coherent contraceptive self-reliance policy.

Outstanding Issues

While LEAD scored major successes in Year 1, there are a number of major outstanding issues that it has to address in Year 2 to come closer to achieving the end-of-project deliverables. Among these are:

Lack of a proven effective system for large-scale TA provision to LGUs. The provision of technical assistance to LGUs is one of the two main methods the Project intends to apply so that project LGUs can achieve their governance and service capacity development targets. The system of TA provision must be able to ensure quick delivery of quality TA that is keyed in to the achievement of the LGU performance targets. Moreover, it should have the ability to service the large number of LGUs that LEAD plans to enroll. The approach that was considered, and which the Project worked on in Year 1, is the use of service implementation organizations that would be engaged through indefinite quantity contracts. However, LEAD was able to issue IQCs only towards the end of Year 1 to three SIOs. The Project, therefore, has yet to establish the SIO mode as a viable system of TA provision that the Project requires. Thus far, LEAD has proven the feasibility of rapid scaling up of LGU enrolment, but not the large-scale servicing of TA requirements. This issue has to be addressed early in Year 2 so that the Project can generate the critical mass of performing LGUs required to meet end-of-project goals.

Failure to obtain USAID approval, and to establish the implementation feasibility of the LGU performance-based grants concept. The second major instrument that LEAD intends to employ to ensure that LGU governance and service capacity development targets are met is the provision of cash grants that would be disbursed upon verified completion of pre-agreed performance benchmarks. It is estimated that it may take up to 18 months to complete the set of mandatory benchmarks; hence, the necessity of establishing the workability of this scheme early in Year 2. Otherwise, there may not be

enough remaining time in the Project's life to implement the grants program on a broader scale.

Need to more fully define and earnestly pursue the LEAD Policy Agenda. Although the Project made notable progress on the policy front in Year 1, the achievements were limited to the promulgation and initial dissemination of the CSR policy. The Project had not moved fast enough to consolidate the findings, conclusions, and recommendations of the review of policies, laws, and regulations that it initially undertook. Thus, LEAD still lacks a solid program of action to bring about the policy support needed to increase and sustain the financing and provision of quality FP, TB-DOTS, HIV/AIDS, and MCH services. LEAD must address this issue in Year 2 so that it can achieve the objectives of Component 2 with the remaining time of the Project.

Slow progress in completing and pursuing the technical strategies, and inability to fully mobilize the different technical areas in LEAD. The Project made very slow progress in completing and obtaining USAID approval for its technical strategies for FP, TB-DOTS, HIV/AIDS, and MCH. This setback also caused the delay in fully carrying out the different project interventions for these four programs. Furthermore, LEAD has not marshaled optimally the potentials of the 15 technical areas that are currently in the Project to organize, together with the FCs, the provision of the needed technical assistance that will enable project LGUs to achieve their performance targets, and to fulfill other tasks under the LEAD contract. Obviously and likewise, the Project has to address this issue in Year 2.

Nothing concrete started in ARMM. The progress that LEAD has achieved in ARMM is limited to the formulation of the PHN and LEAD strategies for ARMM, and obtaining consensus from the ARMM government, DOH, PhilHealth, and POPCOM. No intervention has been initiated yet to address the unique problems of the region which LEAD has put high in its priority list. The Project has to accelerate the implementation of its special strategy for ARMM in Year 2 because LEAD is nearing its mid-point, and there may not be enough time left to achieve its goals in ARMM.

Recommendations and Plans for the Ensuing Period

To address the outstanding issues in Year 1 and move the Project closer to attaining its end-of-project deliverables, LEAD is setting the following goals to achieve in its Year 2 work plan (which has been written and submitted to USAID):

1. Enroll the critical number of performing LGUs that will enable LEAD to meet its life-of-project LGU engagement and performance targets
2. Establish the workability of an effective system for large-scale TA provision to LGUs
3. Establish the implementation feasibility of the planned performance-based grants
4. Maximize the deployment of the different technical areas of LEAD to assist project LGUs meet their performance targets and fulfill other project tasks

5. Implement rigorously the LEAD strategy for ARMM
6. Conclude the formulation of, and pursue vigorously the LEAD policy agenda

The Project is setting specific targets in order to attain the Year 2 goals. Meeting the Year 2 goals will fulfill the expectations of the peak performance phase of the LEAD implementation strategy.

B. Administrative and Financial Information

1. Financial Status (October 1, 2003 – December 31, 2004)

	CLIN 01	CLIN 02	CLIN 03	Total
Budget for Base Contract Period	\$ 17,351,134.00	\$13,490,810.00	\$ 9,921,983.00	\$40,763,927.00
Cumulative Expenditures To Date	\$2,662,734.00	\$2,002,909.15	\$1,546,052.13	\$6,211,695.28
Balance	\$ 14,688,400.00	\$ 11,487,900.85	\$ 8,375,930.87	\$ 34,552,231.72

CLIN 001 – Increasing Local Level Support

CLIN 002 – LGU Capacity Strengthening

CLIN 003 – Policy Development

2. List of Current LEAD Personnel

Expats	Position
1. Goldman, William R.	Chief of Party
2. Littlefield, Joan F.	Family Planning Advisor
Local Professional and Support Staff	Position
1. Alfiler, Ma. Concepcion P.	Policy Unit Director
2. Algabre, Sinagtala M.	Administrative/Finance Officer for Mindanao
3. Alipio, Jennifer M.	Administrative Assistant for Mindanao
4. Anduzon, Elizabeth S.	Project Assistant for Performance-based Contracts (PBC) Unit
5. Apolonio, Joy M.	Accounting Assistant
6. Aranas, Consuelo D.	Maternal and Child Health (MCH) Specialist
7. Bioco, Helen Grace M.	Accounting Assistant
8. Borda, Edita S.	Executive Assistant to the Chief of Party
9. Britos, Rolando A.	Office Driver/Messenger
10. Capul, Rosendo R.	Deputy Chief of Party/ Technical Coordinator
11. Castro, Vicky D.	Senior Accountant
12. Catindig, Nicolas T.	MIS Specialist
13. Catulong, Debra Maria C.	HIV/AIDS Specialist
14. Daquioag, Priscilla I.	Project Assistant for Policy Unit
15. Dela Peña, Sharon L.	Administrative Assistant
16. Deza, Tony C.	Accountant
17. Dorotan, Eddie G.	LGU Unit Director
18. Dublado, Reina Rose A.	Project Assistant for Project Performance Monitoring Unit
19. Dublas, Floretta Brilla B.	Administrative/Finance Officer for Visayas
20. Fabia, Norman Luther B.	Administrative Assistant
21. Fajardo, Charissa M.	Project Performance Measurement Specialist
22. Firmeza, Heidi A.	Financial Analyst-PBC
23. Fornoles, Olivia F.	Administrative Assistant
24. Gaffud, Rose Ann C.	Contracts Specialist
25. Hernandez, Lynneth S.	Administrative Assistant
26. Herrin, Alejandro N.	Finance Policy Advisor
27. Labitigan, Juliet R.	Field Coordinator - LGU-Visayas
28. Llaneta,Carolynn P.	Administrative/Finance Officer for Luzon
29. Lomarda, Ma. Charo B.	Project Assistant for PBC Unit
30. Magboo, Florante P.	LGU Field Operations Manager
31. Manalo, Juanita D.	Project Assistant for FP & Health Systems Unit

32. Mantala, Mariquita J.	TB-Dots Specialist
33. Manuel, Cecilia L.	LGU Program Performance Specialist
34. Marin, Ma. Celia R.	Finance and Administrative Manager
35. Masulit, Saniata P.	Resource and Documentation Specialist
36. Mesina, Mae B.	Project Assistant for LGU Unit
37. Navarro, Dorothy B.	Field Coordinator/Team Leader - LGU-Luzon
38. Nicanor, Indira M.	Administrative Assistant
39. Obelidhon, Rae Christine M.	Administrative Assistant
40. Piñero, Mary Angeles P.	Field Coordinator/Team Leader - LGU-Visayas
41. Quiambao, Mirafior R.	Project Assistant to the LGU Field Operations Manager
42. Quiazon, Jesus Verne D.	Market Development Advisor
43. Ramos, Roldan	Contracts Specialist
44. Rodriguez, Jose R.	FP & Health Systems Unit Director
45. Salipot, Alipio Jr. P.	IT Specialist
46. Serafica, Rosalynn Madeleince C.	Behavior Change Communication (BCC) Specialist
47. Singh, Michael Joseph D.	Field Coordinator/Team Leader - LGU-Mindanao
48. Sucgang, Agnes P.	Field Coordinator - LGU-Visayas
49. Tuazon, Catherine B.	Accounting Assistant
50. Ubalde, Lorenzo G.	Field Coordinator - LGU-Luzon
51. Viola, Grace A.	Field Coordinator - LGU-Luzon
52. Yao, Ma. Suzetta F.	Office Manager
53. Zambales, Manuela Asuncion	Accounting Assistant

Associates in Rural Development

1. Avila, Antonio Jr. A.	Finance Specialist
2. Galang, Mario M.	Management Development Specialist
3. Isberto, Ester C.	Local Government Advisor
4. Ragragio, Conchita M.	LGU Advocacy Specialist

Save the Children

1. Alcala, Earl Enrico L.	Field Coordinator - LGU- Mindanao
2. Anung, Luz Divina C.	Field Coordinator - LGU- Mindanao
3. Isahac, Jodl D.	Field Coordinator - LGU-Mindanao
4. Pangato, Ibrahim Jr. V.	Field Coordinator - LGU-Mindanao
5. Romasanta, Leonila D.	Field Coordinator - LGU-Mindanao