ASIAN DEVELOPMENT BANK

TAR: BAN 30009

TECHNICAL ASSISTANCE
(Financed from the Japan Special Fund)

TO THE

PEOPLE'S REPUBLIC OF BANGLADESH

FOR

STRENGTHENING THE MANAGEMENT CAPACITY

OF THE

CITY CORPORATION HEALTH DEPARTMENTS

September 1997

CURRENCY EQUIVALENTS
(as of 29 August 1997)

Currency Unit	—	Taka (Tk)
Tk1.00	=	$0.0226
$1.00	=	Tk44.10

For the purposes of calculations in this Report, an exchange rate of Tk43.65 = $1.00 is used, which was the rate prevailing at the time of fact-finding.

ABBREVIATIONS

DGHS	-	Directorate General of Health Services
DGFW	-	Directorate General of Family Welfare
KRA	-	Key Result Area
LGD	-	Local Government Division
MOHFW	-	Ministry of Health and Family Welfare
NGO	-	Nongovernment Organization
PHC	-	Primary Health Care
TA	-	Technical Assistance

NOTES

(i) The fiscal year of the Government ends on 30 June.
(ii) In this Report, "$" refers to US dollars.

I. INTRODUCTION

1. The Government of Bangladesh, as part of its policy of strengthening the capacity of local governments, requested advisory technical assistance (TA) to strengthen the capacity of the health departments of the city corporations in managing urban primary health care (PHC) services. The Government accords high priority to improving the health status of the urban poor, which is among the worst of any distinct group in the country. Building the management capacity of the institutions responsible for ensuring that urban PHC services are accessible to the urban poor is a critical aspect of the Government's commitment. In addition to the TA, the 1997 Country Assistance Plan for Bangladesh includes a loan for the Urban Primary Health Care Project. A TA Fact-finding Mission visited Bangladesh from 7 to 29 May 1997 to assess mechanisms to strengthen the management capacity of the health departments of the city corporations. It met with officials of the Local Government Division (LGD); Ministry of Health and Family Welfare (MOHFW); the city corporations in Chittagong, Dhaka, Khulna, and Rajshahi; the Planning Commission; and the Economic Relations Division. Close collaboration was maintained with multilateral organizations and bilateral agencies active in the health and population sector, particularly with the members of the Fifth Health and Population Program Consortium led by the World Bank. The Government and the Mission reached agreement on the objectives, scope, components, estimated costs, and implementation arrangements for the TA.[1]

II. BACKGROUND AND RATIONALE

2. Overall malnutrition and mortality rates are high in Bangladesh, with marked socioeconomic and geographical differences. Not surprisingly, the very poor experience higher levels of mortality than their wealthier compatriots. However, even among the poor, there are identifiable groups at higher risk. A 1991 study showed an overall infant mortality rate of 90 deaths per 1,000 live births, but the corresponding rate for the urban slums of Dhaka was 142, or 58 percent higher than the national average. Similarly, the nutritional status of preschoolers in the slums is considerably worse than elsewhere in the country, particularly in terms of low height for age, which is a good measure of chronic under-nutrition.

3. In addition to the unhygienic environmental conditions, the unsatisfactory health status of the urban poor reflects an inadequate PHC system. Urban PHC has received less systematic attention than PHC in rural areas, and as a consequence the coverage of preventive and promotive services as judged by standardized household surveys is significantly worse. For example, measles immunization coverage is 61 percent in the slums of Chittagong and Dhaka compared with 79 percent for the rest of the country. Similarly, the contraceptive prevalence rate in Dhaka slums is 36 percent compared with 48 percent for urban areas as a whole.

4. The organization and management of urban health services share many of the features of Government health services, and need to be seen in the context of the issues facing the public PHC system generally. MOHFW comprises two distinct directorates: the Directorate General of Health Services (DGHS) is responsible for curative care and some aspects of public health, such as immunization; the Directorate General of Family Welfare (DGFW) looks after family planning services and some maternal and child health services, such as prenatal care. The actual provision of health services in the field is completely separate from family planning and maternal and child health services, with both directorates having large cadres who work

---

[1] The TA first appeared in *ADB Business Opportunities* in April 1997.

independently of each other. In addition, the health sector suffers from a highly centralized and complex organizational structure. The Government's current policy across sectors is to decentralize the provision of services to local governments, although implementation of this policy is just beginning.

5. Publicly funded urban PHC services are provided by DGFW, which operates stand-alone maternal and child welfare centers; DGHS, which operates a few small dispensaries; and in four large urban centers, the city corporations, which operate separate dispensaries. There are currently four city corporations in Chittagong, Dhaka, Khulna, and Rajshahi; they comprise about half of the total urban population in Bangladesh. Each corporation has a charter that lists its responsibilities, which include PHC and the enforcement of public health regulations, such as ensuring food quality. All of the city corporations have health departments headed by a chief health officer, who is responsible for managing the PHC and public health activities of the corporation. The city corporations report to LGD, while DGFW and DGHS report to MOHFW. The delineation of roles between city corporations and MOHFW is not clear. In addition to the Government agencies, health services are provided by a large number of nongovernment organizations (NGOs) and a very substantial private sector, comprising pharmacies, private practitioners, and small hospitals.

6. The major management and organizational issues confronting the management of PHC services at the city corporation level are as follows:

(i) **Inadequate strategic planning and unclear roles.** Up to now much of the efforts of the city corporation health departments focused on direct service provision, leaving few resources for carrying out other functions that also constitute an appropriate role for local government. For example, few resources are spent on planning future PHC activities or regulating private sector activities, such as the sale of iodinated salt.

(ii) **Lack of a coherent system of supervision**. Supervision of the few existing city corporation dispensaries is sporadic and unsystematic. The dispensaries are supervised less than three times a year, and almost none have a written record of the supervisory visits. Recently, efforts were made to introduce some supervision of maternal and child health activities; however, these efforts are not integrated or widespread. They also appear to rely on forms that do not facilitate follow up and use subjective observations, approaches that have proved unsuccessful in the past.

(iii) **Insufficient trained staff.** Due to the shortage of managerial personnel in the health departments, there are few people with the specialized skills required to carry out the tasks of the city corporations in the areas of public health including PHC. What few managerial personnel exist generally come from a clinical background and have little training or experience in management or PHC. They demonstrate little interest in analyzing available data.

(iv) **Lack of coordination**. Coordination between private and public sector entities is weak resulting in the fragmentary delivery of services. The Government, as part of its policy dialogue with the Bank, is trying to rationalize the responsibilities of MOHFW and the city corporations with regard to urban PHC. While the city corporation will be given the overall responsibility for PHC within the public sector,

there is a need to enhance coordination between the public and private sectors, particularly the NGOs and private practitioners.

7. While overall external assistance to the health sector in Bangladesh is substantial, relatively little assistance has been given to urban PHC. A similar problem exists in externally financed efforts at improving the management of PHC. The Fourth Health and Population Project Consortium led by the World Bank invested heavily in efforts aimed at strengthening management capacity at all levels in rural areas, including considerable inputs for in-service training of managers. By contrast, in the cities, only modest efforts, almost all financed by the United States Agency for International Development, have been put in place to improve urban PHC management.

8. The Bank's health sector strategy[1] emphasizes the importance and cost effectiveness of investments in PHC services. The strategy also stresses improving management of the health care system as a critical aspect of improving the efficiency and effectiveness of the health care system. The Bank's country operational strategy for the urban sector emphasizes investments aimed at reducing poverty by extending basic human services to the poor and building the management capacity of the urban government institutions, particularly the city corporations. The proposed Bank loan for the Urban PHC Project will help improve health services by (i) contracting out the delivery of a package of essential services to the NGOs and the private sector; (ii) establishing approximately 190 PHC centers in Chittagong, Dhaka, Khulna, and Rajshahi; (iii) building the capacity of the city corporation health departments through training, study tours, and implementation of a coherent supervisory system; and (iv) carrying out operationally relevant research. Important aspects of the policy dialogue associated with the Project that will be relevant to achieving the objectives of the TA, include covenants on (i) the formulation of plans to reorganize the city corporation health departments; (ii) imposition of a hiring freeze on clerical and support staff; and (iii) formal Government agreement on a delineation of roles between MOHFW and the city corporations for urban PHC. Nonetheless, the TA will be viable even if the Project is not approved because the Government is committed to strengthening the capacity of local governments, and the objectives of the TA can be accomplished with the resources available within the TA itself.

III. THE TECHNICAL ASSISTANCE

A. Objectives

9. The objective of the TA is to develop the institutional capacity within each of the four city corporation health departments to efficiently and effectively manage, plan, coordinate, monitor, and evaluate urban PHC services and carry out the other functions related to public health. Particular emphasis will be given to strengthening the managerial capabilities of the city corporation health departments to supervise and support PHC activities. The TA will help address the major issues facing the development of management capacity by (i) helping managerial personnel formulate strategic plans in the urban health sector including the development of reorganization plans for the city corporation health departments; (ii) assisting in the development of supervisory systems for PHC activities; (iii) helping ensure health department management personnel acquire the requisite management skills; and (iv) improving the coordination between the various entities providing urban PHC services.

---

[1] Asian Development Bank. 1991. *Health, Population and Development in Asia and the Pacific.* Manila:ADB.

B. Scope

10. The TA will concentrate primarily on improving the management capacity of the city corporations of Chittagong, Dhaka, Khulna, and Rajshahi; although many of the TA activities will serve as an example for strengthening institutional capabilities in smaller urban centers. The TA will have the following components:

(i) **Strategic planning and reorganization.** Through assistance in formulating long-term strategic plans, the TA will help the city corporations health departments define an appropriate role for themselves, including reorganization plans. The city corporation health departments will receive assistance in developing key result areas (KRAs) and indicators for monitoring progress within the KRAs.

(ii) **Supervision**. To strengthen supervision of urban PHC services, the TA will work with city corporation staff to develop a supervisory system including supervisory instruments, clear reporting mechanisms, and organizational structures that facilitate regular supervisory visits.

(iii) **Training**. The TA will help train city corporation health department personnel in planning, management, and quantitative analysis through a series of workshops and planning meetings. In addition, the TA will help develop training courses for city corporation personnel in the concept and actual implementation of quantitative analysis of system performance. The training will involve field studies and real life examples to demonstrate quantitative analysis. Many simulations will give managers the opportunity to use information to improve management decisions.

(iv) **Strengthening coordination**. The TA will assist city corporations to develop a streamlined approach to coordination of the various entities providing urban PHC services. This will involve ensuring there are regular consultations between the various agencies involved in urban PHC and strengthening the linkages between these agencies.

11. It is expected that the TA will have the following verifiable outcomes: (i) each city corporation will have a coherent plan, including KRAs, for their PHC activities; (ii) a supervisory system will be in place as indicated by visits to PHC centers in the city corporations; (iii) the knowledge and skills of managerial staff will be improved after the training, compared with the baseline assessment; and (iv) a streamlined system for coordination of urban PHC will exist as judged by discussions with the involved agencies.

C. Cost Estimate and Financing Plan

12. The total cost of the TA is estimated at $582,000 equivalent, comprising $436,000 in foreign exchange costs and the equivalent of $146,000 in local currency costs. The cost estimates are provided in Appendix 1. The entire foreign exchange cost and the equivalent of $64,000 of the local currency cost, totaling $500,000, will be financed by the Bank on a grant basis from the Japan Special Fund, funded by the Government of Japan. The remaining $82,000 equivalent will be financed by the Government.

D. Implementation Arrangements

13. LGD will be the Executing Agency for the TA, although day-to-day responsibility for implementation will lie with a coordination committee chaired by the chief health officer, Dhaka City Corporation. The Bank will recruit an international health management systems specialist with a strong background in managing urban health services and at least five years of experience in basic health service delivery. The consultant will be recruited initially for 12 months, with a further 12-month extension possible based on an assessment of the consultant's performance. The prolonged implementation period is required to allow for (i) sufficient discussion of the appropriate roles of Government in the urban PHC sector; (ii) adequate field-testing of the supervisory instruments and establishment of a functioning supervisory system; and (iii) assessment of training needs and development of workshops and planning exercises that meet the requirements of the city corporation health departments. A domestic consultant with expertise in public sector management consulting will be recruited for 12 months to assist the international consultant by providing insights on local management approaches and helping in the preparation of training materials. The consultants will be engaged as individuals in accordance with the Bank's *Guidelines on the Use of Consultants* and other arrangements satisfactory to the Bank on the engagement of domestic consultants. The terms of reference for the consultants are given in Appendix 2.

14. The TA will be implemented beginning in October 1997 and will be completed by November 1999. The international consultant will provide the Government and the Bank an inception report within four weeks highlighting the progress made, the results of initial consultations with city corporation personnel, and proposed adjustments to the work program. Subsequently the consultants will provide quarterly reports describing progress made on the terms of reference, obstacles encountered, proposed remedies, and plans for the subsequent quarter. The international consultant will also provide a final report that will describe all TA activities, but focus on the lessons learned in implementing the supervisory systems for health centers and defining the appropriate role of Government in the urban PHC sector. The consultants will have responsibility for organizing a series of workshops for the managerial personnel of the four city corporation health departments. In addition, the consultants will work individually with the city corporation health departments to carry out formal strategic planning exercises. A separate workshop will take place after the supervisory system is established, and is meant to disseminate the results of implementation to LGD, MOHFW staff, bilateral and multilateral agencies, and the NGOs.

15. LGD will provide appropriate office space for the consultants and will provide counterpart staff, secretarial and office support, and translation services. Small amounts of office equipment and a vehicle will be procured in accordance with the Bank's *Guidelines for Procurement*. Equipment procured under the TA will become the property of LGD upon the completion of the TA.

IV. THE PRESIDENT'S DECISION

16. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance, on a grant basis, to the Government of the People's Republic of Bangladesh in an amount not exceeding the equivalent of $500,000 for the purpose of Strengthening the Management Capacity of the City Corporation Health Departments, and hereby reports such action to the Board.

COST ESTIMATES AND FINANCING PLAN
($)

Item	Foreign Exchange	Local Currency	Total Cost
A. Bank Financing (JSF)			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	323,000	--	323,000
ii. Domestic Consultant	--	24,000	24,000
b. International and Local Travel	20,000	8,000	28,000
c. Reports and Communications	--	4,000	4,000
2. Equipment and Vehicle[a]	35,000	5,000	40,000
3. Training, Seminars, and Workshop	--	14,000	14,000
4. Contingencies	58,000	9,000	67,000
Subtotal (A)	**436,000**	**64,000**	**500,000**
B. Government Financing			
1. Office Accommodations and utilities	--	24,000	24,000
2. Counterpart Staff and Training Allowances	--	16,000	16,000
3. Secretarial and Office Support	--	8,000	8,000
4. Translation Services	--	6,000	6,000
5. Taxes and Duties	--	28,000	28,000
Subtotal (B)	**--**	**82,000**	**82,000**
Total	**436,000**	**146,000**	**582,000**

a Includes purchase of a 4 wheel-drive, pickup-type truck; computer; printer; fax machine; mobile phone; and office furniture.
-- = magnitude zero.
Source: Staff estimates.

(Reference in text: page 4, para. 12)

OUTLINE TERMS OF REFERENCE FOR THE CONSULTANTS

A. Health Management Systems Specialist (24 person-months, international)

1. The health management systems specialist will work with the chief health officers of the four city corporations and will advise them regarding the management, planning, coordination, monitoring, and evaluation of urban primary health care (PHC); as well as strengthening the other functions of the city corporation health departments. The consultant will have the following specific responsibilities:

(i) Assess the health management strengths and weaknesses in the four city corporations and work with the city corporations to improve management of each city health office.

(ii) Review lessons learned from other countries and other settings in Bangladesh, regarding efforts at strengthening local government capacity, and examine the findings of Postevaluation Office country and sector reviews.

(iii) Assist the city corporation health departments to develop strategic plans that focus on activities appropriate to their role and assist them to develop key result areas (KRAs) including performance indicators for monitoring progress within the KRAs.

(iv) Strengthen the city corporation health departments' ability to effectively plan their activities to achieve the objectives within the KRAs.

(v) Assess the training needs of senior city health office personnel through a careful analysis of their skills and tasks.

(vi) Based on the training needs assessment, help organize and conduct workshops for all four city corporation health departments and formal planning exercises for individual city corporations.

(vii) Help design and implement a system for ensuring that the PHC activities in the city corporations are regularly and effectively supervised. This will include assistance in developing training for supervisors and suggesting organizational structures that facilitate regular supervisory visits.

(viii) Organize a workshop to disseminate the results of the efforts aimed at improving supervision.

(ix) Work with the city corporation health departments to design and implement mechanisms for improving the coordination between the various entities providing urban PHC services, particularly nongovernment organizations (NGOs), Ministry of Health and Family Welfare (MOHFW); and the private sector.

(x) Provide advice and training on planning, designing, evaluating, and implementing developmental activities within the urban PHC sector.

(xi) Provide the Government and the Bank a final report that summarizes the lessons learned in implementing the TA, particularly focusing on the development of the supervisory system and strategic planning for the city corporation health departments.

B. Public Sector Management Specialist (domestic, 12 person-months)

2. The consultant will work closely with the health systems specialist to ensure that approaches to strategic planning and reorganization are appropriate in the Bangladesh context, and help prepare high-quality materials to train managers in supervision and other aspects of management. The consultant will

(i) provide advice on effective public sector management practices in Bangladesh;

(ii) assist the health systems specialist in the design of the supervisory systems, particularly the supervisory instruments;

(iii) help develop the supervisory instruments and supervisory guidelines and ensure high quality translation into Bangla;

(iv) help assess the training needs of senior city health office personnel in the functions for which they are responsible through a careful analysis of their skills and tasks;

(v) based on the training needs assignment, help organize and conduct workshops and planning exercises on PHC management for city corporation personnel;

(vi) help develop effective management training materials and ensure high quality translation into Bangla; and

(vii) carry out such activities as may be required by the health systems specialist.