HANAN FIRST ANNUAL REPORT

Reporting Period: January 1, 2005 to December 31, 2005

Submitted to: USAID West Bank/Gaza
Date: December 14, 2005

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Introduction

This is the first of two annual reports which the Hanan Project is required to submit. The report to be submitted in December 2007 will, of course, be a Final Report. In addition to the present report, Hanan is submitting its Fourth Quarterly Narrative Report. This report and the Quarterly Narrative Report were prepared as stand alone documents, given their very different foci. This report will summarize what was accomplished and learned in 2006, and will seek moreover, to look ahead to 2006 and beyond, in an effort to identify coming issues and to begin to forecast where the Project will be (or should be) as of EOP.

Section I: Provides highlights of Hanan activities by month during this first year of the Project.

Section II: Provides an analysis of these activities, including an overview of the major focal areas and developments. It also offers a section describing where the Project is currently in terms of its "Life Cycle, noting areas of significant delay versus what was planned.

Section III: Looks ahead to 2006 and beyond, with brief comments on what is likely to be needed to keep implementation on track, and seeks to identify the foreseeable issues and challenges facing the Project.

Section IV: Offers some concluding insights by the Project Director.

I. Major Activities of the Hanan Project: January-December 2005

A. First Quarter

January

- Secured long- and short-term office space in Ramallah.
- Held successful Start-Up workshop.
- Created and submitted Mobilization Plan.
- Created initial procurement plan.
- Identified the functional organizational relationships among Project technical and managerial areas and staff.
- Identified Project name and logo.

February

- Secured long-term office space in Gaza, Hebron, Nablus, and Khan Younis (the satellite office set to open in early May).
- Conducted a local recruitment process, including a thorough salary and benefits survey, finalizing of local staffing plan, and extensive newspaper advertisements.
- Initiated the Maternity Homes (MH) assessment via a purchase order to Johns Hopkins University.
- Created preliminary identification of criteria to be used to select Most Vulnerable Population (MVP) communities, and initiated an aggressive search for data to inform these criteria. Simultaneously gathered data on potential service delivery locations, which can later be linked to potential MVP communities.
- Began recruiting replacements for the Behavior Change and Communication (BCC) and Quality Assurance (QA) professionals who will not be joining the project.
- Contracted out a review of monitoring and evaluation tools and methods used in WB/G and outside, as an input into the Project Monitoring Plan (PMP).
- Initiated the procurement process, including finalizing the list of needed equipment, furniture, and vehicles based on information from Maram, and knowledge about what would be needed to outfit the 5 Hanan offices. Submitted plan to USAID and received agreement.
- Created the basic office policies and systems, including identifying major office, personnel, and financial policies.
- Organized and attended a successful project inauguration in Ramallah, attended by Mr. William Burns, Mr. Jim Bever, the Minister of Health and others.
- Started conducting a series of qualitative meetings in districts to collect information for the MVP identification process.

March

- Completed Personnel and Financial Manuals for Hanan.
- Contracted out a review of local best practices and models in Community Mobilization (CM), as inputs into the Technical Workshops to be held in Amman in April.
- Collected and reviewed all major facility and community assessment tools. Made preliminary selection of the tools most suitable for Hanan.
- Reviewed literature and began to define key concepts of importance to Hanan, including Capacity Building (CB), Sustainability, and QA.
- Redefined staffing pattern involving the QA, CB, CM, and BCC units, and discussed with USAID as basis for a slightly different approach.
- Reached a preliminary conclusion about the use of an integrated team approach to carrying out project implementation, monitoring, technical support and problem solving. Detailing to follow.
- Designed the technical content, meeting process, participant list, and arranged for the basic logistical arrangements for the Technical Workshops to be held in Amman 16-20 April.
- Used the technical, computer software and consultant support resources through GIS as a planning and monitoring tool for Hanan.
- Created the outlines of a dissemination plan for the project.

B. Second Quarter

April

- Completed the Maternity Homes Assessment report, presented it to USAID, and incorporated major findings into the Hanan Maternal Health strategies.
- Completed the Assessment of Community Mobilization Experiences Report for WB/G, presented the findings at the Hanan Technical Workshop in Amman, and incorporated the major findings into Hanan's Community Mobilization strategy.
- Organized and attended an event on 7 April (one in WB and one in Gaza), jointly with MoH, PMRS and the Centre for Culture and Free Thoughts, to celebrate International World Health Day's theme of Healthy Mothers and Children. USAID attended as well.
- Completed the Technical Briefs for Maternal Health and Nutrition (MHN) and Child Health and Nutrition (CHN), including a situational analysis for each area, and used these as the principal technical background materials for the Hanan Technical Workshop in Amman.
- Held the Hanan Technical Workshop in Amman from 16 April through 23 April.
- Completed and submitted the Project's draft strategic framework, PMP, as well as the workplan and budget for July 2005 through June 2006 to USAID on Saturday 30 April.

May

- Held the first Hanan partners meeting on 3 May, which included representatives of JSI Headquarters, ANERA, and EMG. Staff presented the draft strategic framework, PMP, workplan, and budget to the partner representatives and received useful feedback.
- Presented, on 6 May, the Project's draft strategic framework, PMP, work plan, and budget for July 2005 through June 2006 to USAID in Tel Aviv. Drs. Srouji and Drabant asked for clarification on a number of points and made a number of useful suggestions.
- Presented the project's MVP strategy and targeting-cluster selection methodology and findings to USAID on 19 May. The presentation also discussed the Project's implementation phasing strategy and forecasted the number of Women of Reproductive Age (WRA) and beneficiaries who the Project expects to serve during LOP.
- Held the first Project Steering Committee meeting, chaired by Dr Majed Abu Ramadan of the MoH, on 24 May. The meeting was held simultaneously in Gaza City and Ramallah and was well attended.
- Started dissemination of Hanan's strategies and approaches to MoH, NGOs partners and other donors working on the same field, and started active coordination with them according to the mutual fields of interests.

June

- Developed and tested Field Visit Validation (FVV) tools and instruments.
- Carried out intensive data collection about the potential clusters for the 1st cohort using the FVV tools that were developed by the project staff. Data gathered included information about the level of health facilities in these clusters, NGO and donor presence, leading Community Based Organizations (CBOs), and community leaders. Data gathered also included information about the status of clinics, as well as the health seeking behaviors of the members of these communities.
- Developed criteria for selecting NGO partners in WB/G and developed database for each NGO identified through FVVs.
- Developed Household Baseline Survey (HBLS) Tool and received official approved by the MoH after pilot testing.
- Completed the selection of potential clusters of communities and PHC clinics in WB and GS which Hanan will focus on during the 1st cohort.
- Prepared an emergency plan to cope with the Gaza disengagement. The plan addressed the best scenarios to prevent disruption of Project work during the disengagement period as well as the extra security measures necessary for staff in order to maintain their productivity as well as their safety during the disengagement period..

C. Third Quarter

July

- Completed the FVVs used in choosing thee communities and clinics for the first cohort.
- Developed Health Facility Assessment (HFA) tool.
- Developed Organizational Capacity Assessment Tool (OCAT).
- Adopted Lot Quality Assurance Sampling (LQAS) methodology as data collection approach for HBLS and completed LQAS training in WB/G.
- Submitted final version of the PMP to USAID and received formal approval.
- Developed Community Capacity Assessment (CCA) tool and initiated field visits.
- Completed the Training Capacity Assessment

August

- Piloted the HFA tool in WB/G.
- Completed Training plan for the clinical and CM components of the Project.
- Mapped designated neighborhoods, gathered population statistics and identified contact persons representing designated communities.
- Assessed the success of the Howwara MoH clinic and its applicability to Hanan's proposed C&M efforts.
- Visited 11 Hanan-designated clinics in all selected districts to identify areas for high visibility improvements.
- Met with MoH Health Education department leaders in West Bank and Gaza to discuss overall C&M plans.
- Short-listed and translated MHN and CHN materials, developed by various donors, for potential use in Hanan's C&M's efforts.
- Finalized market research plan to conduct focus group interviews in selected Cohort I communities.
- Met with NGOs that qualified as potential partners for implementing Hanan's Community Program strategy.

September

- Received approval for Hanan's GIS indicators and as a result, the Project began reporting on monthly performance indicators.
- Completed the HFA for all first cohort clinics: 11 clinics in Gaza Strip and in 14 clinics in the West Bank.
- Completed Hanan Model Clinic characteristics paper.
- Used preliminary results from the HFA as the basis for the CB interventions for each participating clinic, e.g., developing training plans for the facilities, communities and NGO partners.
- Began development of job aids and 7 Integrated Management of Childhood Illnesses (IMCI) wall charts.
- Developed supervisory tools and checklists.

- Conducted the first training of clinic staff, and Satellite Team staff in Infection Prevention and Control (IPC); training included an orientation to the Hanan Project and approaches.
- Initiated data collection for the HBLS focusing on maternal and child health status and behavior. Data collection was conducted in 26 clusters throughout WB/G. This survey used the LQAS methodology and included anthropometric measures and blood testing (for anemia of children under age five).
- Developed and translated Moderator's guides and screeners to recruit participants to focus group interviews.
- Drafted protocol for clinic exit interviews.
- Initiated plans for proposed high visibility improvements in first cohort clinics based on field visits and preliminary HFA data.
- Initiated assessment of job aids for Ante-Natal Care (ANC) and IMCI wall chart with first cohort clinics, Health Education department in MoH in WB/G, and NGO partners.
- Developed draft C&M strategy and presented it internally and to NGO partners.
- Developed Community Mobilization Action Cycle model and presented model internally.
- Conducted kick-off meeting with community leaders in the Jenin District, the first step in implemented the Community Capacity Assessments (CCAs).

D. Fourth Quarter

October

- Conducted kick-off meeting with community leaders in the Hebron, Gaza City and North Gaza Districts, the first step in implemented the Community Capacity Assessments (CCAs).
- Began the lengthy process of fact finding with potential NGOs in WB and GS for subcontracting the CM component.
- Completed 22 focus groups in selected clusters in Gaza, North Gaza, Hebron, and Jenin.
- Began the process of identifying advertising firms by placing an ad inviting firms to submit their capabilities; 13 firms responded. Via this process the Project will pre-qualify the most capable firms for design, production and media services for the Project's C&M component.
- Commenced reporting of Hanan activities to USAID through the M&E Unit. The development of the Project's reporting capability was greatly facilitated by training on GIS, and reporting procedures provided by USAID.

November

- Finalized a draft subcontract with PMRS for Hanan's Community Program in the West Bank and submitted subcontract to USAID for approval. The draft subcontract was submitted together with a "sole-source" request and documentation.
- Completed fact finding and program development discussions with the Rashad Shawwa Cultural Center for the Community Program in Gaza as the Project's potential CM partner NGO.
- Conducted extensive fact finding with community notables, key stakeholders, and CBOs in selected WB/G communities to learn about and document the CM programs carried out to date, to learn about the working environment, and to better understand the human resources available for the Hanan CM program.
- Initiated the Project Technical Brief series with a Technical Brief on Community Mobilization. This will be followed shortly by several Technical Briefs and (longer) Technical Papers, which will be disseminated to stakeholders according to the Project's stakeholder target group analysis.
- Finalized and discussed internally, results of the C&M Focus Group research. When fully analyzed, these results will be used to design the C&M interventions and to guide counseling and MCHN education programs. The results will also be disseminated to appropriate stakeholders as a Technical Brief or Report.
- Conducted interviews with senior managers at all 13 advertising firms; short-listed five firms for the final qualifying round to be held in early January 2006.
- Hired private sector consultant to identify potential high-profile businesses with which Hanan could develop joint "cause related" marketing strategies to promote selected health interventions.
- Conducted IMCI training for physicians in Gaza
- Conducted the 2nd Infection Prevention and Control (IPC) training in Gaza

December

- Commenced data collection for the CCA in the larger Hanan communities in both WB/G.
- Completed drafts of the Project's key sub strategies, which will be used to guide planning and decision making: the "Graduation Strategy" for clinics and communities; Quality Assurance; Sustainability; and Gender Equity. Project staff intend to complete the development of additional key sub strategies. As appropriate, these will be disseminated as part of the Technical Briefs/Papers series.
- Formed a Marketing Committee was formed consisting of a cross-section of the Hanan team, its partners, and key health organizations working in WB/G. The Committee received and reviewed five proposals from the short-listed advertising agencies for a campaign based on a "brief" developed outlining Hanan's requirements. The

contract will be awarded in early 2006, and the campaign initiated in February.

- Received the HBLS report which provided both project area data that are statistically significant and cluster level data for monitoring and decision making. Using these data, the Hanan technical team has begun to identify project targets.
- Finalized the HFA Report.
- Finalized and field-tested the supervisory checklists and job aids.
- Started an eleven-day IMCI training for physicians.
- Conducted IPC training in Hebron and Jenin.

II. Analysis

A. Overview of Major Focal Areas and Developments

1. Strategic Planning and Development

Essentially, the first one-third of the Project's initial year was dominated by a series of strategic development activities. These were needed to define both the strategic vision of the Project, as well as its overall technical basis. This process resulted in a number of written products, including:

Defining the Strategic Vision
Defining the Project's strategic vision involved a number of activities, these included:

- Defining the most vulnerable women and children <5 as the target group, and creating an evidence-based methodology to select the Most Vulnerable Palestinian communities, and the clinics most accessible to them.
- Using all available evidence to identify the Project's Essential Package of MCHN services, and creating a methodology capable of adapting the package to the needs of different communities.
- Developing key sub-strategies needed to guide the most basic approaches to be followed, including:
    - A Quality Assurance approach at the clinic level as a guide to interventions;
    - Tools to implement quality of care;
    - Mechanisms to monitor and score quality of care;
    - A multi-faceted approach to sustaining the gains made in improving clinic performance and community empowerment;
    - An implementable approach to "graduating" clinics and communities following Hanan's capacity building process; and
    - An approach to guide the phasing of inputs and graduation of clinics and communities into two cohorts
- Defining the EOP outcomes, targets, and indicators, to which the Project is committed to achieving.
- Developing a strategy to attract national attention to the gap in the maternal health "quality loop," that occurs when women go for delivery in often poor quality public hospitals. To do this, the Project will work on a pilot basis in two hospitals in an effort to upgrade aspects of IPC in maternity neonate wards.

2. Technical Development

Service Delivery

Technical development related to the delivery of services focused on the design and development (or adaptation) of all technical tools, methods, and

curricula-training materials needed to implement the program. Particular effort was devoted to creating tools to help providers adhere to existing standards and protocols, as well as to methods for facilitating a simple but effective supervisory system involving problem solving, mentoring, and On-the-Job Training.

Behavior Change and Communication

A second level of technical development focused upon creating cost-effective approaches to behavior change using a range of communications and marketing approaches. This process has resulted in the design and initiation of a highly innovative approach to behavior change which is based largely upon more rigorous commercial marketing strategies, combined with more traditional BCC approaches which utilize education, face to face communications, and other informal techniques.

3. Capacity Building

Since Hanan is a capacity building project, all of the above work ultimately feeds into some aspect of CB. The strategic basis of the CB component is the identification and use of a three-stage approach:

- A Fact-Finding and Dialogue Stage in all Hanan clinics and communities to identify needs, create common agreement on objectives in each clinic-community, and to design the program of interventions and partnership working relations;
- An Intensive Capacity Building Stage; and
- A Maintenance and Consolidation Stage leading to “graduation.”

When stages one and two have been completed for the first cohort of clinics and communities, and as these partners “graduate,” they will be handed off to the Satellite teams to carry out the Maintenance and Consolidation Stage. Project CB assets will then be released to focus on second cohort partners.

4. Organization and Management Structures and Systems

From the outset the goal of the Project was to create an Organization and Management (O&M) “system” which would maintain a focus on the following priority areas:

Field Implementation

The Project had a need to ensure implementation capacity at the field level, and to provide this “implementation arm” with the needed human and other resources and authority to provide the necessary inputs in an assertive and professional manner. Effective implementation required being able to strike the needed balance between a decentralized field function, and the ability of the Project’s technical leadership in WB and in Gaza to maintain the direction, momentum, and impact.

The Client—not the providers or the inputs

Project staff are dedicated to maintaining a focus on the client and her needs, and have consistently designed interventions to maintain that focus. All too often, public health programs fall into the trap of a "top down" approach wherein the providers or the inputs become the unit of analysis and attention, distorting the purpose of the program and failing to have the needed impact.

Performance and Accountability

It is a challenge to design a technical assistance, or service delivery system which tracks performance and assigns accountability for meeting agreed upon outputs. To facilitate the Project's ability to achieve these aims, the O&M system makes use of work plans and budgets as management tools, a fully elaborated and implemented M&E system, and clear lines of communication and authority.

Horizontal Integration

Those familiar with international public health programs know that the oft proclaimed commitment to "horizontal integration of interventions" is rarely achieved in practice. Being fully committed to achieving this difficult goal, the Project is using communications and coordination mechanisms to keep staff focused on such integration.

These mechanisms include a constant recognition of efforts to integrate:

- The technical approaches and "software";
- Intervention and work plans; and
- The implementation process itself (i.e., how technical leaders support the field teams).

Special efforts are being made to keep the two halves of the Project—in West Bank and Gaza—aligned into an integrated strategic direction, and to maintain strong linkages between the Hanan clinics and the communities as implementation proceeds.

5. The Sustainability Imperative

It is an unfortunate fact that the Project format makes the sustainability of gains achieved in a few short years very difficult. Hanan staff are committed to doing everything possible to maximize the sustainability of its achievements. To effect its sustainability goals, Hanan has adopted a number of approaches at different levels. These include the following:

Community Level

At the community level the Project seeks to create demand for needed, accessible and quality services. The assumption is that client understanding of and demand for such services, will encourage the MoH and other providers

to respond. The ultimate goal, which can only be achieved through sustained effort will be to create demand-based Primary Health Care (PHC) services, wherein beneficiaries know what their needs are, what they are entitled to, and are able to influence health policies as well as the quality and accessibility of local health services.

Clinic Level

At the clinic level the Project is introducing sustainable supervisory capabilities, tools, methods and systems.

District Level

At the district level, the Project is seeking to motivate and to facilitate MoH interest in laying the groundwork for a clinic-focused, district level PHC supervisory capability. Key strategies to effect this approach include:

- Working with the MoH to secure seconded Public Health Officers (PHOs) for the Hanan Satellite Teams, or hiring staff that will join the MoH at the end of the Project.
- Jointly developing and implementing a program of CB which will result in the MoH having clinic supervisory capability in Hanan districts by EOP.

Community Mobilization

In the area of community mobilization, the Project is outsourcing the entire effort in WB and Gaza to qualified, well managed NGOs. This is not only cost-effective for the Project, but should lead to enhanced and sustained capabilities for these NGOs.

Policy and Advocacy

In the area of Policy and Advocacy, the Project is working to improve the enabling policy environment for improved quality MCHN services and information. In an effort to influence other stakeholders to learn about and adopt (or adapt) Hanan's Best Practices and successes, the Project will document and disseminate these practices broadly.

6. Introduction of Appropriate Innovations

It is expected that an international technical assistance provider, such as JSI, will apply all appropriate international best practices, and will document and disseminate them. Project staff have taken this obligation seriously. Some of the innovations being introduced include:

- Using job aids—based upon the "official" standards and protocols--as the focal point for provider compliance;

- Using hand held electronic Personal Digital Assistants (PDAs) to ease the gathering of data from the field, and speeding its transmission into the M&E system;
- Using an implementable Quality Assurance "system" as the basis for provider performance and clinic upgrading, built upon jointly developed Quality Improvement plans; and
- Maximizing the use of evidence-based target group programming, and where feasible, evidence-based technical and managerial decisions.

These innovations are in addition to several others mentioned above, e.g., commercially based C&M approaches.

B. Where Are We?

For an overview of the project see the attached figure in Annex 2: "Hanan-From Start Up to Results." This figure provides a snapshot of the Project from start-up to the achievement of results at the end of December 2007 and breaks the Project into its four major stages. This visual has been useful for providing an overview of the Project to diverse stakeholder audiences.

In order to ascertain more precisely where the Project is on this broad trajectory, it is useful to break this overview into its more detailed components. This might be referred to as the Project's "Life Cycle." These Life Cycle stages include:

Stage 1:	Strategic Planning (Fact-Finding) Stage
Stage 2:	Cluster selection - First Cohort
Stage 3:	Developing tools, methods, and systems for CB, CM, and C&M implementation
Stage 4:	Negotiating CM and Clinic programs at field level
Stage 5:	Securing NGOs for outsourcing of the CM component
Stage 6:	Intensive (CB) Stage - First Cohort
Stage 7:	Maintenance (Consolidation) Stage - First Cohort
Stage 8:	Graduate First Cohort
Stage 9:	Begin Second Cohort, repeating steps 2,4,6,7.
Stage 10:	Graduate Second Cohort, EOP

At the end of this reporting period, the Project has successfully completed stages 1 through 5. At the end of December, the Project was in the early steps of stage 6, the Intensive CB phase for the Project's first cohort of clinics. This phase is expected to take about 4-5 months, followed by the Maintenance Phase.

Since the upgrading of MCHN services needs to lead "demand creation," CM and C&M will begin later under the Intensive Phase, and may continue after some clinics have completed the CB process.

Identification of the second cohort communities and clinics will begin by February, with the understanding that not all first cohort clinics and

communities will have been able to graduate fully from the Maintenance Phase by the time the Second Cohort has to begin in early summer 2006.

C. Where Should We Be?

As with all development efforts, especially those in their first year, the Project has experienced delays or shortfalls relative to the planned initiation or completion of its work. While the Project is essentially on track, major deviations from the work plan (and budget) can be identified in the areas listed below.

Delay in Final Selection of Participating Communities and Clinics

This delay resulted from the fact that Hanan was obligated to create an entirely new methodology for identifying the Most Vulnerable Communities as potential partners. Several other steps were needed in order to finalize this list, some of which involved time consuming fact-finding and "negotiation" with the MoH and USAID. These delays cascaded into many of the delays described below.

Delay in Contracting with Local NGOs to Mange the Community Program

The decision to outsource the key community program function is a major sustainability strategy of the Project. While it would have been much faster and easier for the Project to have taken on the CM function itself, staff felt strongly that outsourcing to a local NGO would create the conditions for sustainability, even though doing so would take much longer, and could result in delays.

Although this activity took longer than originally planned, the Project has now identified potential NGOs partners who can fulfill the needed tasks. Contributing to the delay in selecting the NGOs was the longer than anticipated time necessary to identify the final most vulnerable intervention communities. The location of the communities was important in selecting the NGOs because of the relationship with the capabilities and "reach" of potential NGO partners.

In WB, an excellent NGO partner has submitted its final proposal to Hanan project (in WB), and the subcontract has been finalized. Joint recruitment will begin upon USAID approval. The Project is also finalizing a subcontract with the Rashad Shawwa Cultural Center (RSCC), an NGO based in Gaza City, under a different organizational structure.

Delay in Submitting Household Baseline Survey Report for Cohort 1

The HBLS was on target according to the proposed timeframe in terms of: tools development, training on LQAS, securing necessary equipment, finalization of the subcontract with Alpha and data collection. However, this process faced some delays because of the type of sampling and analysis methodology used for the survey (LQAS). This innovative sampling technique

was introduced by Hanan into the country for the first time and thus required more intensive support and effort than anticipated, from Hanan's M&E Unit to mentor and guide Alpha group in implementing the analysis in an accurate way. Also, since the data were gathered only in Hanan's "vulnerable communities" some results vary from national data. This has required a time intensive checking and validation process to ensure rigor and accuracy.

Delay in the implementation of on-job training and supervision

There was a delay in this activity because Hanan technical staff spent a considerable amount of time and effort in coordinating with MoH staff in the both the West Bank and Gaza. This was necessary to obtain their feedback and recommendations in the different technical areas in order to secure their approval and endorsement for the developed tools. Hanan believes that this approach is a long term investment which will maximize the potential for substantiality of the utilization of the supervisory tools at the district levels by MoH staff. Hanan's capacity building staff and the satellite teams in WB/G will begin implementation of this activity in early January among Hanan's designated clinics.

Lower Than Expected "Burn Rate"

Experienced public health project managers know that the financial burn rate for the first year of operations will be low, compared with the second and subsequent years. Despite this, it proved difficult for Project management and staff to fully anticipate the nature and degree of the constraints to implementation and spending, which the Project would face in this first year. As a consequence, Project work plans, which estimate how much work and activity will take place, and the level of funding needed to finance this level of activity, proved to be too optimistic. This has lead to an overestimate of the USAID obligations for the period.

It is important to observe that the "underspending" is entirely relative to inaccurate work planning, and not to a particularly slow pace of implementation. Future work planning and budgeting exercises will seek to curb this irrational exuberance, so that they more accurately reflect the realities of the Palestinian context. More immediately, staff are expediting activities which will help to increase the burn rate, such as: rapid processing of the sub contracts for the outsourcing of the CM function to two NGOs, submission of procurement of equipment and supplies for Hanan's first cohort clinics, and the development of two operations research contracts.

D. Current Problems & Constraints

Although the Project faces no ineluctable or especially crippling problems or constraints, it is useful to identify a few areas to which attention must be paid. These include:

Changes in Key Staff

The Project needs to find replacements for the Project and Public Health technical leadership in place early in the year. Outstanding candidates have been identified and submitted to USAID. The replacement for the Project Director could be on site by early January, and the replacement for the Director of Public Health could be on site by March.

Restrictions on Staff Mobility

Communications and access between WB and G, continue to be exacerbated by long and frequent closures at Erez and in WB. This is a chronic problem for which there is no solution. The task here is to ameliorate these barriers to the degree possible through the maximal use of communications technology, decentralization of decision making authority, and by taking advantage of all travel opportunities.

The MVP Learning Curve

Based upon what was learned in selecting the first cohort, staff will be able to move much more rapidly to select the second cohort communities and clinics. Part of the lessons learned include concentrating on the qualitative phase for identifying clusters, and giving ample time to "negotiate" the final selections with key stakeholders.

Restriction on Working with MoH Staff

The restrictions on working with MoH staff, where even minor payments are involved, has created a number of delays as well as some tension between the Project and the MoH, particularly in the area of training area. To mitigate the problem, Hanan is seeking to identify various types of "barter" arrangements, as well as ways to compensate MoH staff engaged in Hanan training and other programs where it is not possible to provide "in kind" support directly.

Restriction on Clinic Selection

The Project's inability to work with many of the best clinics (and municipalities) in Gaza due to USAID restrictions has been a constraint. While Project staff have been able to locate alternative clinics, it is not yet clear whether they will have the qualities needed to graduate on time or to produce the needed beneficiaries. As these questions are informed by experience, we will seek different, and perhaps more intensive approaches to realizing the needed outputs. Other alternatives, already under consideration, include taking another look at UNRWA clinics as potential partners, and making a greater effort to recruit NGO clinics.

III. Looking Ahead to 2006 and Beyond

A. Keeping Implementation on Track

Looking ahead, each of the following "lessons" will be significant to the successful technical and strategic management of the project.

- The importance of implementing a strategic review and lessons learned process in the second quarter, and rolling these lessons into the annual work planning process. It is essential to bring USAID and the MoH into this process to secure their understanding, agreement, and support. The same applies to a lesser degree to other key stakeholders.
- The importance of evolving and managing the clinic and community "Graduation Process" to ensure a smooth transition to the second cohort, and to ensure maximum progress by EOP.
- The importance of using the work plan and budget as key management tools, in addition to monitoring and evaluation, and to maintain the emphasis on implementation and accountability.
- The importance of creating and maintaining a positive working relationship with the MoH as well as learning how to navigate around the communication difficulties, avoiding internal rivalries, understanding and using "incentives," and obtaining the needed support.
- Understanding that sustainability requires multi-faceted approaches involving all possible stakeholders; that sustainability strategies are difficult to effect and often come at a cost in terms of time and effort; as well as in terms of some loss of control over resources and outcomes.

B. Foreseeable Issues and Challenges

These issues and challenges are somewhat arbitrary, and are likely to mutate into different factors and priorities during the course of the year.

- Maintaining a single project in the face of "centrifugal forces," in order to keep the WB & G tightly linked and mutually supportive. The "centrifugal" factors militating against this outcome include:
    - Communications/Access constraints;
    - The tendency for internal rivalry;
    - A divided MoH; and
    - Easier physical access (as compared with West Bank) to clusters in Gaza and closer personal relationships in Gaza.
- Managing the dependent relationship the Project has with the MoH, in order to secure their continued cooperation and facilitation of Hanan's hectic implementation schedule.
- Managing the complex relationships with the two NGOs to which the entire CM program is outsourced

- Continuing to elaborate and manage the sustainability strategy to include a district-level CB program for clinic supervision.
- Managing a “graduation” process that will end up requiring some hard decision-making in the face of non-objective, non evidence-based situations.

IV. Concluding Comments

Looking at the Hanan Project from the perspective of a three-year effort, Project staff believe that the undertaking has developed the fundamentals to deliver success by the end of the Project in December 2007. Every project has a predictable trajectory, proceeding from creating the conditions for implementation, to full-scale implementation, to consolidation of the effects of interventions, to the final achievements and impact.

As described in this report, the Hanan Project has successfully created the conditions—strategic, technical, and managerial, and backed these up with the partnerships so essential to our work—to deliver what the donor, JSI and its partners, and other key stakeholders (particularly the MoH) had wished and expected. However, inevitably, given the sheer ambition of the expected outcomes in a mere 36 months, some loftier ambitions may not be fully realized in so short a time, especially given the complexities of the West Bank-Gaza context. Having said that, it is essential that Hanan staff remain committed to achieving what has been promised, and to make whatever efforts are needed to ensure that this happens.

In the context of all that has been achieved in this twelve month period, it is important to record planned achievements that were not realized. We have tried conscientiously to identify these shortfalls in this report and by these means, remain committed to the kind of transparent and professional relationship that we owe to our client, USAID, but also in the knowledge that we must learn from what we have been able to do, as well as from what has not proceeded as planned.

In closing, Hanan staff wish to thank their colleagues at USAID for the unfailing fairness and support they have accorded to their efforts during this first year of the Hanan Project. It is also important to record our appreciation for the excellent support and encouragement which the Project has received from counterparts in the MoH, without whom much of what has been achieved would never have happened.

Richard Moore
14 September 2005

Annex 1: Fourth Quarter Financial Report

QUARTERLY FINANCIAL REPORT								
JSI RESEARCH & TRAINING INSTITUTE, INC.								
THE HANAN PROJECT								
	USAID	4th	ACTUAL	Actual	Estimated	Total	Remaining	Percentage
	Contribution	Quarter	EXPENSES	EXPENSES	EXPENSES	Expenditures	Funds	Funds
LINE ITEM	Federal Funds	10/05-12/05	OCT'05	NOV'05	DEC'05	& Projections		Expended
SALARIES	2,918,022	270,633	97,688	70,678	102,267	823,836	2,094,186	28%
ALLOWANCES	1,161,521	77,063	34,846	26,657	15,560	377,011	784,510	32%
CONSULTANTS	122,400	0	0	0	0	8,908	113,493	7%
OTHER DIRECT COSTS / TRAVEL / EQUIPMENT	1,644,333	64,612	-5,651	30,608	39,656	669,983	974,350	41%
INDIRECT COSTS / OVERHEAD	1,311,926	128,725	*50,127*	*28,472*	*50,127*	469,736	842,190	36%
PROGRAM COSTS	8,825,000	147,991	33,216	93,536	21,239	272,328	8,552,672	3%
SUB-RECIPIENTS	4,923,104	321,398	31,496	258,406	31,496	517,025	4,406,079	11%
TOTAL	**20,906,306**	**1,010,423**	**241,721**	**508,356**	**260,345**	**3,138,826**	**17,767,480**	**15%**

Annex 2: Hanan-From Startup to Results