

Introduction

1.1 Background

Dhulikhel hospital is a not for-profit making; non- governmental, non-political, licensed and accredited by Government of Nepal established in 1996 with the aim to provide quality health services in Nepal. The hospital with the ongoing support of friends and its staff have prime goal to become a preferred quality health service provider in Nepal.

In the early establishment years, Dhulikhel hospital started providing medical services to outpatients, including providing free medications to the residents of Dhulikhel. Currently, the hospital provides health services for the people of Kavre district and surrounding districts, through its extended medical services including diagnostic, therapeutic, emergency, in patient, surgery, pharmacy, laboratory, x-ray, ECG, echocardiography, endoscopy, ultrasound and ambulance services etc.

Dhulikhel hospital is guided by the principles of social equity and harmony with nature. It is responsive to the expressed health needs of the community, by providing promotive, preventive, curative and rehabilitative services in Nepal. Its services include maternal and child health care, family planning, immunization against the major infectious diseases, appropriate treatment of common diseases and injuries and the provision of essential drugs etc.

Dhulikhel Hospital, in collaboration with Kathmandu University, is running different academic programs like MBBS, Nursing, allied health Science under School of Medical Sciences. Nepal Medical Council has granted recognition for the medical experiences of doctors and medical students at Dhulikhel hospital.

With the financial support from NepaliMed Europe, Dhulikhel hospital has been able to provide and strengthen its quality health services through hospital based health care services as well as community based health care services establishing its community health centers in different remote places of Kavre, Sindhupalanchok, Dhading and Lalitpur district and beyond where people are in need of basic health care services.

As per the general and project agreement signed with the Social Welfare Council (SWC) Nepal, this final evaluation of the project was designed to evaluate whether the project/program are/ were being carried out as per the Project Agreement signed between the SWC and NepaliMed Europe on June 22, 2004 for the period of five years.

As per bilateral agreement between SWC and Dhulikhel Hospital, the detail of the project was as follows:

1.2 Details of Project as per Agreement with Social Welfare Council (SWC)

Name of the Project and its location:	Dhulikhel Hospital, Dhulikhel, Kavre, Nepal
Period of Project Effectiveness:	June 22, 2004 to December 2008 A.D.
Name of the Partner NGO:	NepaliMed, Europe
Location:	Dhulikhel Hospital, Dhulikhel, Kavre, Nepal
District covered:	Kavrepalanchowk, Dhading, Dolakha, Ramechhap, Sindhuli, Sindhupalchok, Bhaktapur, Lalitpur, Kathmandu, Nuwakot

1.3 Objectives of the project

The project agreement signed with the SWC has identified the following objectives:

1. To provide affordable and accessible, preventive, promotive, curative and rehabilitative health services to the community at affordable price. This service to extend in rural community through it's community outreach programs in Kavre, Sindhupalchock Dolakha, Ramechhap, Sindhuli, Dhading and other districts.
2. To develop human resources in a planned manner to support the need of the country.
3. To develop the standard medical infrastructure of the hospital.
4. To establish close relations with Kathmandu University and other teaching institutions in and outside Nepal.

5. To upgrade the skills and knowledge of Dhulikhel hospital's professional staff through the provision of resources for appropriate advanced training. To develop the standard medical infrastructure of the hospital.

1.4 Expected outcome of the project

The NepaliMed project expected to help Dhulikhel hospital in the following aspects:

- Develop and strengthen hospital activities
- Development of quality human resources
- Extension of community health outreach program to different parts of Kavre district and beyond
- Establishment and extension of teaching, learning and research activities

1.5 Objectives of project evaluation

As per mentioned in ToR developed by SWC Nepal, the objectives of project evaluation were as follow:

1. Explore the level of progress/changes made by the project and analyze the extent to which the achievements have supported the program goals and their objectives
2. Evaluate the project effectiveness longitudinal effect and continuity of the project activities/services as well as the scope and extent of the institutionalization of the project,
3. Explore the cost effectiveness of the project activities,
4. Identify the target and level of achievements as specified in the project agreement,
5. Explore the coordination between the concerned line agencies in the project districts,
6. Find out the income and expenditure in compliance with the project agreement and proportion of programmatic and administrative cost incurred by the project,
7. Examine the financial regularities\disciplines in accordance with the prevailing Rules and Regulations and fix assets purchased in duty free privileges and locally, and
8. Assess the good lessons to be replicated in other projects and aspects to be improved in the days ahead.

Chapter II

Methodology

2.1 Study area

This final evaluation was carried out in Dhulikhel, Kavre district, where the NepaliMed program was implemented. Kavre district is located on East longitude 85.38' and North latitude 27.41' and is 30 kilometre east of capital city. It is at the altitude of 938 to 1216 meter from sea level. The Araniko Highway runs through Dhulikhel. The climate condition of Dhulikhel is hot and humid ranging from 32-35 degree Celsius in the summer and rainy season, and dry and less humid in the winter ranging from 10-25 Celsius temperature. People with different ethnic background including Brahmin, Chetri, Gurung, Tamang, Magar, and Newar reside in Dhulikhel and surrounding.

2.2 Study design and methods

A cross-sectional descriptive study design was used in order to collect data for this evaluation study. Primarily the qualitative tools and techniques were utilized to gather information for this study, however some of the quantitative tools and techniques including personal interviews and observation checklist were developed and administered to gather quantitative data. The following tools and techniques were used in evaluating the project.

2.3 Qualitative study

2.3.1 Focus group discussion

Altogether 4 Focus group discussions were carried out in the project-implemented areas separate at the hospital level, community level and at the health facility level. One FGD was conducted at the community level with beneficiaries of the project, one with health care providers at the health facility level, one with staffs of Dhulikhel hospital and one with health managers of Dhulikhel hospital.

Additionally the informal meetings with different groups including beneficiaries (patients visiting health facility, FCHVs, and community leaders) of Dhulikhel hospital outreach clinic in the community, health facility in-charges at the health facility level, Dhulikhel hospital staffs and the and the members of Dhulikhel hospital executive committee were also conducted. About six to 10 participants

were involved in each FGD and the number was varies in informal meetings ranged eight to 15 in each informal meeting. The FGD and meeting participants were pre-informed on the purpose, venue and the time of the discussion. A set of FGD guideline was developed and utilized while conducting FGDs and informal meetings.

2.3.2 In-depth and key informant interviews (IDIs & KIIs)

A total of 4 in-depth and 4 key informan interviews at the different level including community, health facility, and the Dhulikhel hospital level were conducted in this evaluation study. Two community people who were benefited from the NepaliMed program at the community level, one FCHV, one ANM and one health facility in-charge at the health facility level, four managers and executive committee members (two from Dhulikhel hospital and two from executive committee) at the Dhulikhel hospital level were recruited as key informant interviewees and asked set of questions. Additionally the Medical Superintendent, Chief Executive Officer and Community Health In-charge of Dhulikhel hospital also were recruited as KII and taken interviews. Four sets of pre-tested semi-structured guideline, one for the beneficiaries, one for the FCHVs, one for the health facility staffs and one for the executive officers were developed and utilized.

2.4 Quantitative

2.4.1 Personal interviews

Personal interviews were carried out among families of NepaliMed program beneficiaries in the out reach clinic program of Dhulikhel hospital implemented VDCs in Kavre district. A set of questionnaire was developed and implemented for this purpose.

2.4.2 Observation checklist

In order to review the access and utilization of affordable quality health care services within catchments areas of Dhulikhel hospital at different levels including community, health facility and the Dhulikhel hospital level, the service statistics recorded on the service users registers in the out reach clinics and in the Dhulikhel hospital were reviewed with the help of observation checklist. Similarly the

inventories of equipments purchased in different five consecutive years of project duration were also examined.

2.5 Systematic review of documents

Apart from the information gathered from interviews, focus group discussion and key informant interviews, the documents related to the NepaliMed project were collected from Dhulikhel Hospital and Dhulikhel hospital community health centers, where the study team visited and reviewed accordingly. A standard checklist was prepared and main points and issues raised by the literatures and the study were noted and used as and where appropriate in the study. Additionally the literatures related to NepaliMed program including bilateral project and general agreement, progress report/s, internal and external audit reports, baseline survey and mid-term evaluation report, internal/external evaluation report and other project related documents were also gathered and systematically reviewed accordingly.

2.6 Study instruments/tools of data collection

In close consultation with SWC and Dhulikhel Hospital team, the evaluation team developed study tools to gather qualitative as well as quantitative information. Sets of FGD and KII guidelines were developed and utilized to conduct FGDs, informal meetings and KIIs with different study participants including beneficiary groups, FCHVs, community health center in charge, and managers of Dhulikhel hospital. Additionally a standard checklist was developed to review the documents and literatures systematically and to collect information from the personal interviews.

(See appendix A for detail tools).

2.7 Field observation

To fetch first-hand information related to NepaliMed program, the evaluation team made observation visits to Dhulikhel hospital, different departments, Dapcha VDC of Kavre district.

Field visit to Community health centre, Dapcha VDC was made to explore information related to community health program under NepaliMed program.

Focus group discussion, personal interviews, key informant interviews, and informal meetings were done with different stakeholders including community beneficiary groups,

health staffs, managers of Dhulikhel hospital and doctors. Additionally interaction meeting was done with staffs of Dhulikhel hospital and members of management committee.

2.8 Process of the study

The detail process followed in this study was as follows:

- Orientation and discussion with Member Secretary and Directors SWC Nepal
- Review of related project documents/agreements/progress reports, website information, etc.
- Discussion and consultation with director and admin in-charge Dhulikhel hospital
- Discussion with Dhulikhel hospital staffs
- Observation field visit to Dhulikhel hospital and Dapcha VDC community health centre
- Discussion with beneficiaries of NepaliMed program, FCHV, ANM, health center in-charges, executive members of health center etc.
- Discussion with members of Dhulikhel hospital and community health center Dapcha
- Data processing and analysis
- Preparation and submission of draft report to SWC and Dhulikhel hospital
- Presentation of findings of the study.
- Preparation and submission of Final Report to SWC and Dhulikhel hospital

2.9 Composition of the Evaluation Team

The evaluation mission was comprised of Members as mentioned below:

1. Program Expert, Team Leader
2. Representative from SWC, Member
3. Financial Expert, Member
4. Representative from Ministry of Health and Population, Member

2.10 Roles and responsibilities of the study team

As per TOR given by SWC, Nepal, the Team Leader and the team members were responsible for overall activities done in this evaluation study. The study team leader and the members performed their works as specified below:

Table 1. Roles and responsibilities of the study team

Human resources	Roles and responsibilities
Team Leader	<ul style="list-style-type: none"> • Coordinate and lead the study/ evaluation team • Prepare a suitable strategy for the team • Allocate the responsibilities for the team members • Gather and analyze all relevant information • Provide the framework of activities to be accomplished before the onset of the fieldwork by team • Adopt the appropriate evaluation methodology for fulfilling the evaluation objectives • Receive feedback and suggestions from team members • Write a comprehensive evaluation report • Present the draft report to SWC in consultation with INGO and update accordingly
Team Members	<ul style="list-style-type: none"> • Participate actively in each step of the evaluation function • Provide analytical feedback to the team leader • Accomplish the responsibilities as per the direction • Extended by team leader • Assist the team leader in accomplishing the evaluation objectives
Financial Expert	<ul style="list-style-type: none"> • Assess the efficiency of the projects/cost effectiveness • Check the compliance with general agreements/project agreements • Compliance with Tax laws • Review of fixed assets • Evaluation of the internal control system • Review financial reporting framework • Analyze comparison of the budgets and actual with the committed project cost

2.11 Financial management and logistic arrangement

The financial and the logistic arrangement for this study was done by the NepaliMed program unit, however SWC played facilitation roles in conducting this evaluation study.

2.12 Data processing and analysis

For the analysis of qualitative information gathered from this study, basically thematic analysis was done manually to provide clear picture of the study findings based on different themes of the evaluation. The information gathered from personal interviews, observation checklist, and systematic review of documents were verified, coded and analyzed accordingly. Optimum efforts were made to integrate the findings from qualitative, quantitative study and the findings from literature review to triangulate the issues rose in the study guidelines.

2.13 Limitation of the study

Primarily this study followed qualitative approach to collect information from the field as well as district hospital level, however some of the quantitative tools and techniques including questionnaire for personal interview, observation checklist and a standard checklist for systematic review of documents also were used.

Chapter III

Findings derived from field data collection, observation visit and documents review

With the primary objective to explore level of progress/changes made by the project and analyze the extent to which the achievements have supported the program goals and their objectives, this final evaluation has been carried out. As per agreement made between NepaliMed Europe and Dhulikhel Hospital, Kavre, the field data collection and the findings from this study were primarily based on following different themes of NepaliMed program and analyzed accordingly.

3.1 Establishment of Dhulikhel hospital

Meeting and discussion with executive committee members of the Dhulikhel hospital, particularly Chairperson and the managers of Dhulikhel hospital, it is identified that the Dhulikhel hospital was initially established with the small community hospital. From the beginning, the community people in Dhulikhel have contributed a lot in terms of finance, land, labor, skills and love and belongingness etc. to be a part of community hospital. Additionally the local community has contributed from the establishment of the hospital by their active participation in planning of hospital programs, extension of health services, quality control, effective implementation of health services from the hospital and beyond.

Discussion with managers of the hospital, it was explored that the community hospital was desired by the local people of Dhulikhel area from the beginning. Many people in this Dhulikhel area did not have practice to visit to health facilities in order to consult health providers for their health problems, even now we could see some people still practice not to visit health facilities, as they believe and practice traditional practice.

Many local people with the aim to improve their health status, education status, supply of drinking water in the Dhulikhel, have contributed their land and the local Dhulikhel municipality also has supported budget to establish and run hospital at the beginning stage of its establishment.

3.2 Findings related to routine health services at Dhulikhel hospital

The study team explored about the type of health services being provided by the Dhulikhel hospital at the hospital level and different community health programs through community health centres at the communities level. As per interviews, observation visit, meetings and review of related documents, the major health services being provided by Dhulikhel hospital from the hospital are as follow:

- Out patient health services: OPD services have been provided from 11 different departments in different expertise areas including Medical, Surgical, Obstetric Gynaecology, Cardiology, Orthopedic, Pediatric, Child health, Ophthalmology, Dental, Dermatology, Venerology and Cosmetology, Otorhinolayngology, Psychiatry, Family planning and Immunization etc.
- Diagnostic facilities including Laboratory, x-ray, CT scan, ECG, Ultra sound video x-ray, endoscopy etc.
- Inpatient services include different health services to those patients who need 24 hours direct nursing and health care. Those services are normally provided from different inpatient departments including Surgical, Medical, Obstetric Gynaecology, Orthopedic, Pediatric, Eye ENT, etc. The health facilities being provided in the inpatient services normally General ward, Intensive care unit (ICU), Coronary care unit (CCU), neonatal intensive care unit (NICU), and pediatric intensive care unit (PICU) etc.
- Emergency health services to those patients who need urgent life saving health care has been provided.

It was identified that the Dhulikhel hospital has been providing above-mentioned different health services since it was established in 1996. Since the beginning, Dhulikhel hospital has been providing common bed service to those all patients who admitted to receive inpatient services, in order to maintain its motto that the hospital is providing equal services to all patients irrespective to their level of poverty and affordability. This is the concept to justify that we are community hospital to provide quality services for all.

It was reported that the hospital has been providing quality health services to the patients in an economize rate including meals and bed services. It was one of the best aspects of

hospital that it could provide four times meals to those patients who have admitted in the inpatient department in 150 Nepalese Rupees, which is in fact quite cheap and an affordable to all people including poor.

Based on observation visit to the hospital and surrounding, it is identified that the hospital was kept neat and clean. Proper and efficient hospital management was visible inside the entire premises of the hospital, as there it could show to the study team that everyone working/ serving in the hospital seems to be dedicated to their works, though regular monitoring and evaluation from the management and the local communities were exist. Additionally it was explored that the prompt health services to the patients were provided.

3.3 Access and utilization of quality health services

Once we discuss about the access and utilization of health services, the major three aspects such as distance, access and availability of health services and the affordability of general communities to the health services they received. Study team was able to gather information that, the distance between hospital and the communities surrounding was very close, as many of the community people could reach to the hospital even on foot. The hospital is located within the walking distance for those community people residing in Dhulikhel area. Even for those people who are some how far in terms of distance, also have an easy access to different means of transportation, as the hospital is located near by Kodari highway.

In terms of availability of quality health services, the literatures and the observation visit to the hospital showed that Dhulikhel hospital has good quality and competent team to provide quality and efficient health services to those patients visiting to hospital. Currently more than six dozens (75) competent doctors and both specialists and medical officers have been providing health services from the hospital. In order to provide quality health services, every patients visiting to the hospital for their quality health services have equal opportunities to be consulted by two or more than two different specialists. In this situation, no additional charges are charged, once they registered once for their health problems. Dhulikhel hospital charges certain cost from all patients visiting to receive health services from the hospital, but no poor are denied to receive health services, even if they are unable to pay for nominal charges. The provision of free health services for the poor people is available at the hospital around the clock.

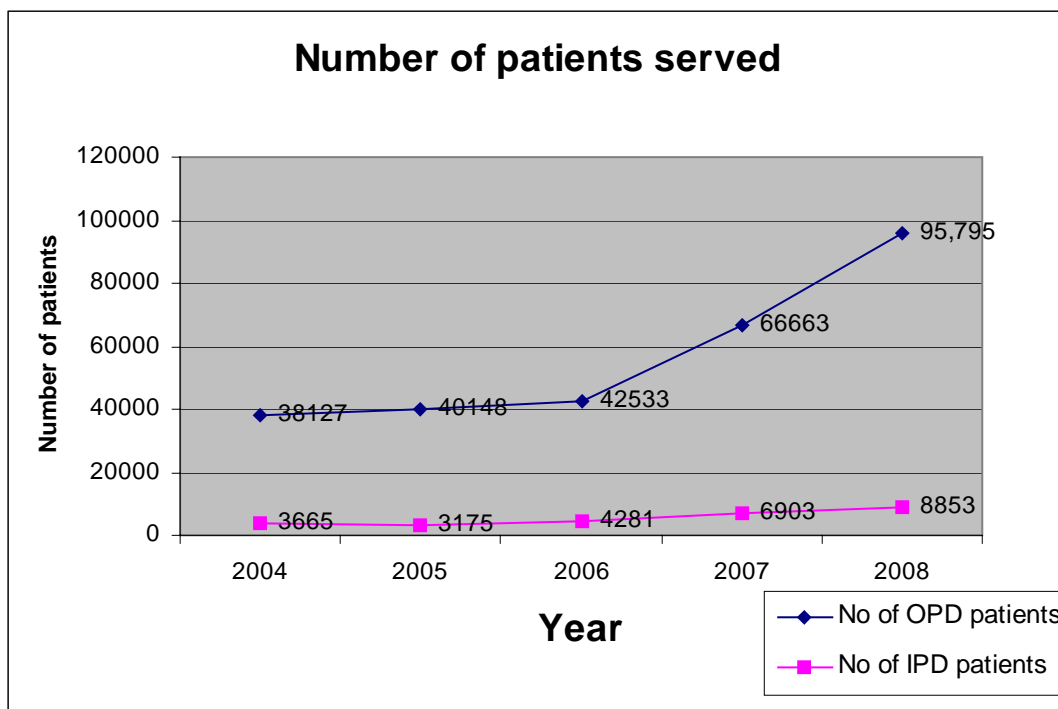


Figure 1. Number and trend of patients served in OPD and IPD in Dhulikhel hospital by years

The above chart illustrates number of out patients visiting Dhulikhel hospital by years 2004 to 2008. The figure clearly shows that the number of patients visiting Dhulikhel hospital is in the increasing trend. There were about 40 thousand patients served by the hospital in the year 2004, which remain almost stable for the year 2005 and 2006, but the figure increased gradually reaching more than 60 thousand in the year 2007 and finally 95 thousand in the year 2008. The similar trend was identified among the patients visiting to receive inpatient services from the hospital too.

3.4 Findings related to community health services

As part of community hospital, the Dhulikhel hospital has been trying its best to reach to the community people who are in needs of health services to the doorsteps. The hospital has employed its principle of social equity and given high priority to the community-based activities. From the establishment of this hospital in 1996, it has set an example of noteworthy to expand community-based health activities in order to address the health issues in different rural areas of Nepal though holistic approach, quality health service delivery, rational community based methods, innovative public health interventions and effective and active community participation. Proper monitoring and evaluation is done to

strengthen community health programs and to control the quality of health services. The major areas of current community based health programs are as follows:

- Community outreach programs
- Partnership with different organizations
- Public health programs and
- Research and development related activities

It is explored that the Dhulikhel hospital has been providing community health services to the community people through its own twelve different community health centers. The main idea for these community health centers is not only to provide basic health care services but also platform to provide various preventive, promotive, curative, and rehabilitative health care services to the community people. Additionally it is learnt that the income generating activities have been launched in the community health centers catchments areas.

In order to establish and strengthen coordination and collaboration with different line agencies, these community health centers have been used to provide some necessary space to those organizations who are willing to provide health care services to these community catchment areas.

These community health centres have been identified to be established with the strong commitment and participation of concerned local community people. It is reported that these all community health centres are directly linked with Dhulikhel hospital in terms of planning of health services, implementing day to day routine health activities, providing trained health human resources, qualified specialized medical personnel and medications etc. The health paramedical staff provides health services around the clock from the health centres. The general doctors and specialized doctors visit health centres periodically in order to provide specialized health care services to those patients who would not be able to reach to Dhulikhel hospital.

It is identified that, the major strengths of these community health programs is sincerity of the purpose, as the health human resources are dedicated to their given tasks and to maintain quality of health services.

Additionally various field based community health activities have been launched through community health centres. The major health programs being launched/ implemented under the community health programs include:

- Routine OPD health services through established community health centres
- Routine IPD services to those patients needing 24 hours nursing care and health services
- Emergency health services
- Laboratory/ lab based services
- Periodic specialized health care services from specialized medical doctors
- Mobile blood donation programs
- Mobile rural health clinics
- Community health services in collaboration with local non-government organizations
- Non-formal education in health for community services providers and
- Basic curative services including surgeries.
- Micro-credit and income generating activities
- Health education and health promotion activities

Based on visit to Dapcha community health centre, located in Dapcha, Khanalthok VDC, it is identified that the outreach clinic has been running in a permanent building which was constructed by the supports of community people and Dhulikhel hospital. The health centre has been providing health services for last seven years, though the request from community people to run community health activities had come many years ago.

The Dapcha community health centre was comprised of paramedics and helpers including one health assistant, one auxiliary nurse midwife (ANM) and one supporting staff. The paramedics provide routine health services from the centre around the clock, as the centre is residential in its nature. The community health centre runs different community health programs, in close collaboration with Dhulikhel hospital, government health facilities, local non-governmental organizations, local clubs and local communities etc.

All beneficiaries interviewed in Dapcha VDC reported that the community health programs being implemented by Dhulikhel hospital through Dapcha community health centres are most useful, and have contributed in many ways including improving health status, enhancing capacity of women, income status of women and other community development activities. Additionally the Dhulikhel hospital has helped us in providing emergency cares, quality health care, and specialized medical care through weekly Doctors visit to the centre. Dhulikhel hospital does conduct periodic health camps in needy health problems periodically such as: general health problems, OB Gynae, uterine prolapse, dental and orthopedic health problems etc.

“Dhulikhel hospital le yes Dapcha swasthya chauki marphat, Dapcha ko Bikaska lagi bibhinna kam haru gardai aayako chha, jastai: swasthya, mahila sasaktikaran, Aaya arjan, tatha samudayik bikashka kam haru” - KII, Dapcha VDC.

The patient flow at the Dapcha community health centre shows that, normally daily 4/5 patients visits for their health check up at the centre, but this figure goes up to 20/ 25 when there is weekly doctor’s visit from the Dhulikhel hospital. In order to provide quality health services to the community people, behaviour and manner of the health providers is very crucial.

3.5 Coordination mechanism

We do have good coordination with government health institutions in Kavre districts. We have now working collaboratively with government health facilities in different community health activities including running maternal health programs, child health programs, uterine prolapse camps, mobile general health camps and routine health care services at the community level etc. The good example is that we do have community health centers running directly by the Dhulikhel hospital are providing venue, health staffs (ANMs), and vehicles etc. to the government health facilities in order to make community people benefited from health services. And we have always taken account government health policies, plans and strategies and implemented to the community. Additionally the hospital has good coordination with other different line agencies.

For the purpose to maintain recording and reporting system up to date and accurate the standard registers for those patients visiting Dhulikhel hospital and the community health

centres were developed and utilized. Additionally they do keep records of academic activities such as medical education and the allied health science related academic activities. Dhulikhel hospital and the community health centres have monthly reporting system to health management and information system (HMIS), of Government of Nepal.

3.6 Findings related to support for logistic supply to community health centres

Logistics for the all community health centres under Dhulikhel hospital have been supplied by Dhulikhel hospital. The logistic team and the concerned health centres staff ensure adequate supplies of drugs, equipments, stationeries and other necessities using the existing logistic management system of Dhulikhel hospital. The staffs of health centre said that so far we don't have any kind of crisis of logistics including medicine. We do have smooth supply of these all kind of logistics from Dhulikhel hospital.

3.7 Supervision and monitoring

Extensive supervision and monitoring are critical components for the successful implementation and completion of the project activities, and a routine aspect of daily activities. Supervision and monitoring also provide an opportunity to observe quality of care, and to collect information not available through other means.

It was identified that normally the managers of the Dhulikhel hospital do regular and close supervisions, though every one has their equal roles and responsibilities on it. In order to update daily activities, share knowledge, ideas, opinion and to plan for the coming activities, the study team observed that the Dhulikhel hospital do organize daily staff meeting in the morning prior to commence their respective works. During the meeting people do come together and make brief presentation on their works and share plans if they have.

The study team realized that this is one of the best practices ever seen in the organizations where they come together everyday and share their current activities. This kind of meetings could be helpful in creating favourable environment for working together as well as finding solutions for the common problems. These kinds of best practices could foster organizational development through participatory approach.

In addition to the daily meetings and informal meetings, each and every department have their monthly reporting system of their respective works as well as services they have provided. The monthly reporting system also provides clear sketch for the performance level of staffs working under the Dhulikhel hospital. The similar practice has been practiced for the community health activities as well.

3.8 Plan for sustainability

Success of any organization either non governmental or governmental, or semi governmental in either sector, particularly in health depends on its leader's dedication and its leadership. Clear vision, mission and objectives are also necessary aspects to be considered for the success of organizations. The mission of the Dhulikhel hospital is to provide quality health services to the community people. We don't have any vested interest on running this Dhulikhel hospital, we do serve patients here sincerely and our efforts are always service oriented and we are dedicated, committed just to provide quality health services to the community people and the poorest of the poor.

The Dhulikhel hospital has its own management committee headed by local community leaders, managers, social workers etc. which looks after the overall activities of the hospital including planning of annual programs, financial plan, organizational development plan, human resource development plan and the strategies etc. for the effective implementation of those plans. The similar structure has been developed in the establishment and functional implementation of community health centres and the community health programs. The committee also looks after overall activities including planning, implementation, evaluation, coordination, management and other community development activities.

As per discussion with Managers of Dhulikhel hospital and the representatives of executive committee, it is reported that the income from patients and student of medical sciences is enough to run the hospital without any foreign assistance. However the external fund, government fund, contribution, endowment fund are essential for the construction of buildings, acquiring different equipments and human resource development especially in abroad. It is explored that the Dulikhel hospital has its human resource development plan in the long run, as the service demand rate and the patients receiving services from the hospital as well as from the community health centres have been increasing year by year.

Visiting to the Dapcha VDC community health centre, the study team identified that the Dapcha community health centre has a management committee with 5 members representing community leader, women, and ethnic minorities. For the sustainability of the services being provided by the community health centres, it is reported that the community health centre charges NRS 10 per visit as a registration fee, which is valid until the next one month. Though the patients have to pay nominal charges for the medicine, which is normally sold from the health centres at the centre building.

It was explored that the Dhulikhel hospital has adopted the policy of financial sustainability in order to run hospital as well as community health activities. In addition to the support from NepaliMed Europe, the hospital has been exploring financial supports from other sources including nongovernmental sector, government sector, and the social sector etc. In connection with financial sustainable plan, the hospital has established its collaboration with the Kathmandu University running medical school, which also supports the hospital to run. Other internal source of income, like charges from hospital services, equipments charges are also assets for the financial sustainability.

3.9 Financial evaluation

3.9.1 Access and efficiency of the projects/cost effectiveness

The review of financial documents show that the Dhulikhel hospital develops annual budget plan and exercise the expenses within the budget approved by the annual general meeting (AGM). The hospital is adopting the policy to economize in purchasing goods and services for without compromising the quality and its standards. Though the documents do not support that the hospital has standard of cost for the programme and administration.

The organization is applying the closed quotation system in the beginning of the fiscal year for the listing of suppliers of lab equipments, stationary and electronics goods for the hospital. After receiving the quotation, they analyze the quality and cost and fix the supplier(s) for one fiscal year. For pharmacy goods, institutional price is being adopting form the reputed manufactures of the goods. Drug and Therapy Committee decide the name and brand of the medicine for the hospital. Hospital purchases such goods directly from the manufacturer to minimize the cost of items.

Procurement Committee chaired by the Administrative Director is authorized to purchase upto Rs. 2.5 Million through the quotation system. Only buildings are found constructed under the tender process.

To minimize the cost of goods and ascertain the transparency in the procurement procedure, it is advised to apply tender policy on it for the most possible case.

3.9.2 Compliances with general agreements /project agreements

As per the information provided by the Hospital and the Project agreement between SWC and NepaliMed dated 22 June 2004, following figure has been found in actual and committed support case:

Table 2. Actual support VS committed support Amount in '000''

Fiscal years	Committed Support (In USD)	Committed support in NRS (@USD1=NRS65)	Actual Support (In NRS) *	Variance
FY2061/62	2149	139,685	31,075	(77.75)
FY2062/63	1978	128,570	47,738	(62.87)
FY2063/64	2039	132,535	22,169	(83.27)
FY2064/65	1691	109,915	50,888	(53.70)
Total	7857	510,705	151,870	(70.26)

* Financial support from Nepalimed, Nameste Shifting, Sticking Wilde Wild Geesee Sticking. There are some other donor agencies in FY2065/66 as well

As mentioned above, the actual support in comparison with the committed support is very less in each year. The hospital is receiving grant, donation and gift from other organizations regularly. The main organizations for such contributions beside NepaliMed are Nameste Stiftung and Sticking Wilde etc. Number of such organizations is increasing in each year. As per the hospital management, all these organizations are the donor agencies of Nepalimed. They all provide financial grants through Nepalimed.

The project agreement has not described the expected outcome of the project, hence the variance level between the actual and committed level of activities of the project could not be compared.

3.9.3 Compliances with tax law

The hospital is not registered in the tax office and they have not obtained PAN as well. Most of case, they have been exempted on tax for purchasing goods and services for the hospital. They are paying TDS of annual income of office staffs and the building taken on rent. They are depositing tax on half yearly basis, which is acceptable under the prevailing rule of country.

3.9.4 Fixed assets

All fixed assets are recorded in computer system. They are using MEDAS and FACT computer system. Equipments are distributed on their outreaches and the several departments of the hospital based on the requirement. A separate department, Store Department is responsible for recording of recording of the stock and all fixed assets. Beside, Accounting Department is also involved in the book keeping, proper utilization of goods, valuation in books, purchasing new goods and other associates responsibilities.

Store Department prepares the record of goods and distribute to the required department. We found the goods are utilizing in the concerned department as recorded in the Store Department. Regarding the assets distributed to their outreaches, proper utilization, maintenance, verification is being done by the outreaches. However, time-to-time verification is being done by the hospital management.

No case of disposal of fixed assets received under duty free basis has been found so far. However, the hospital has disposed a photocopy machine at scraped value with due approval of competent Authority (Dean) on 2065.08.24.

Review of documents and observation to the hospital suggest that, the goods imported under duty free scheme have been used for hospital purpose. All goods imported under duty free scheme are property recorded and distributing in several department. List of goods imported under duty free scheme are attached in Annex table.

3.9.5 Evaluation of internal control system

AGM of the organization has been conducting on regular basis in each year (once in a year). In AGM, the future plan of the organization has been found discussed before

preparation of annual budget. Annual general meeting (AGM) of Dhulikhel hospital has also discussed to expand other sources of income beside donation, gift and contribution for the sustainability of the hospital. Review of the AGM minute shows that the authority to the concerned personnel and the departments based on needs are given. For example, the AGM on 2065.04.12 decided to give authority to the Medical Director for the approval of project up to cost NRS. 20 Million.

Regular activities are executing by the concerned department under the delegated authority. Executive committee is monitoring the activities and day-to-day affairs of the hospital regularly. Concerned department heads are responsible for their respective job. Regarding internal control system in procurement and other more capital-intensive responsibilities, separate committee has been formed. Medical Director is the head of executive of the hospital. Review activities and variance analysis has been found discussed in Board meeting of the hospital.

3.9.6 Financial reporting framework

The financials of Dhulikhel Hospital has been prepared and audited during the period of FY2004 to FY2007. However the financials of FY2008 are underway. The financial documents do not support that the Dhulikhel hospital has prepared separate financial statement of NepaliMed Europe. As the NepaliMed has funding most of the expenses of the hospital, a separate financial statement is advised to prepare in coming days. Beside, the source of income (from gift, donation, contribution etc) from other organization, beside NepaliMed is not recorded properly. As per documents reviewed, all donor agencies supporting to Dhulikhel hospital send their supports through NepaliMed project account. A separate account has to be maintained in for each support. The disclosers in the financial reports are satisfactory.

Regarding other publications, Dhulikhel hospital has practices to publish annual report of the hospital. The activities of the hospital and the future plans are generally disclosed in the annul report as well as hospital bulletin. The same auditor of the same auditing company has audited the financial statement of the organization for regular four fiscal years from FY 2004 to FY2007. However it has been changed for the FY2008. Besides this, the internal auditing system of the organization has been established/ developed and practiced regularly.

3.9.7 Comparison of the budget and actual with the committed project cost

For the preparation of annual budget of hospital, Finance Department seeks feedback and their budget from the concerned departments of the hospital before starting the new fiscal year. After receiving the budget from the each department, finance department prepare the budget of the hospital. The Medical Director presents the prepared budget to the AGM for further discussion and approval. The AGM approved the budget and implemented by the board of the hospital. They have practice of approve up to 10% variance on approved budget by the Administrative Director. Up to 25% variance is approving by the Dean of the hospital. Above 25% variance on the approved budget can be approved Health Science Executive Committee. Hospital board does review of the budget annually.

The variance on budget and the actual activities has been found regularly in each year. It may be the cause of lack of preparation in budgeting procedure of the hospital. The hospital is achieving the targeted activities mentioned in the budget. However huge variance on income source and expenses has been observed in most of fiscal year.

The overall procedure of the budget preparation is well. However, the variance in most of fiscal years revealed that predetermination and expectation of the budget are matched with the actual outcomes. Besides, variance approval authority may be utilized haphazardly. Such authority should be allowed to board or the AGM only. The variance on approved budget should be discouraged.

3.9.8 Financial sustainability of the hospital

The hospital has adopted the policy of financial sustainability of the organization. It is found that, they have exploring other sources of income beside donation and gift from the foreign donors (INGO). In this regards, the hospital has established collaboration with Kathmandu University and receiving considerable amount from students' fee for academic activities at the hospital. Other internal sources of income, like charges from hospital services, equipments charges are increasing every year.

Table 3. Income details in “NRs. 000”

Fiscal Year	Revenue from internal Sources	Revenue from Grant, Gift and Contribution	Total
2004	28,719.00	87,737.00	116,456.00
2005	36,551.00	65,018.00	101,569.00
2006	42,665.00	85,109.00	127,774.00
2007	128,136.00	60,693.00	188,829.00
2008	234,017.00	89,368.00	323,385.00

As per the above figure, it is seen that the hospital has encouragingly improved their internal sources of income during the study period. They are towards the self sustain level.

3.9.9 The statistics of patient served through the available human resources

The hospital has served the people different places of the country during last five year. The number of patient served during the period is increased drastically through the limited human resources of the hospital. As per the statistics provided by the hospital:

Table 4. Number of patients served and the human resources in Dhulikhel hospital by years

Year	No. of Patients served	No. of Doctors	Supporting staffs
2004	38,127	48	207
2005	40,148	51	210
2006	42,533	57	226
2007	66,663	58	283
2008	95,795	75	425

As per the above figure, the increment of patients served over the years is highly increased in comparison of increment number of doctors and supporting staffs. It denotes that the Dhulikhel hospital is applying the economic cost bearing policy even in the human resources.

3.9.10 Comparison of actual support Vs committed support by NepaliMed Europe

After the agreement made between SWC and NepaliMed for Dhulikhel Hospital development, following the actual support against the committed support for the four fiscal years has been received during the period between 2061/62 to 2064/65.

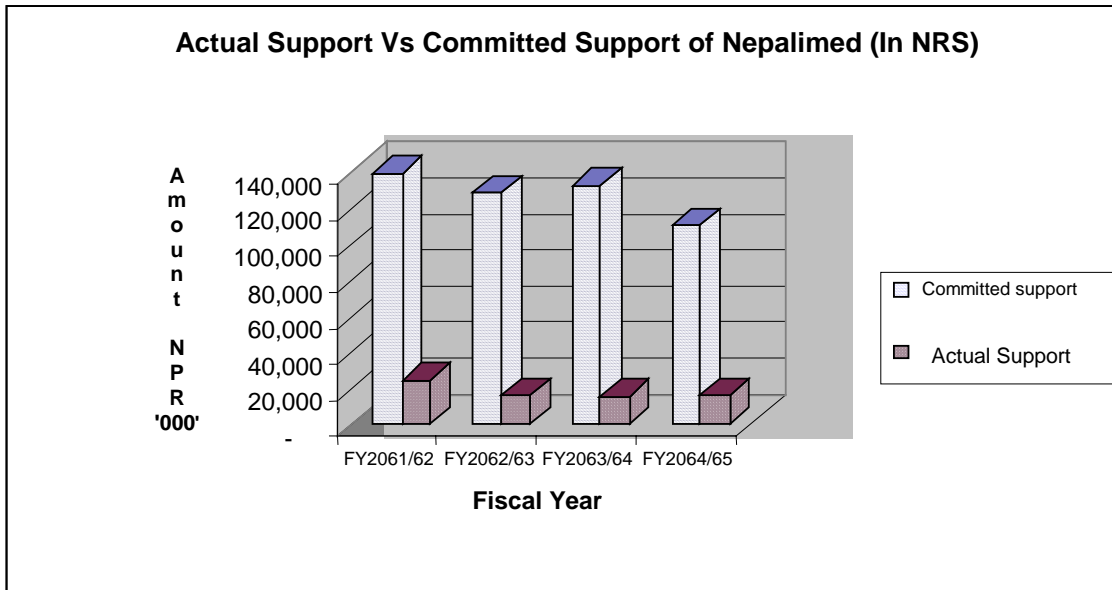


Figure 2. Actual supports vs. committed supports of NepaliMed (in NRS.)

Review of financial documents suggests that, the actual support of NepaliMed for Dhulikhel Hospital has been found highly below than the committed support for the years. However, Dhulikhel hospital has been receiving regular support from its associated donors agencies over the period.

Chapter IV

Summary of the findings

4.1 Summary of main findings

Based on findings derived from the field observation, FGDs, informal meetings and interviews with different stakeholders, the following summary of findings have been drawn:

- The primary objective of the project, as per bilateral agreement made between NepaliMed Europe and Dhulikhel Hospital, Kavre, was to support to provide affordable and accessible, preventive, promotive, curative and rehabilitative health services to people through hospital based and community outreach programs based in Nepal.
- From the beginning, the community people in Dhulikhel have contributed in terms of finance, land, labor, skills as well as active participation in planning of hospital programs, extension of health services, quality control, effective implementation of health services from the hospital and beyond.
- The major health services being provided by Dhulikhel hospital since their establishments in 1996 are:
 - Out patient services
 - Diagnostic facilities
 - Inpatient health services, ICU, CCU.
 - Emergency health services
 - Operations
- In order to maintain its motto that the hospital is providing equal services to all patients irrespective to their level of poverty and affordability, the Dhulikhel hospital is providing all the services at affordable prices to all.
- Hospital has been providing quality health services to the patients in an economize rate including meals and bed services who admitted for the inpatient services.

- Proper and efficient hospital management was visible inside the entire premises of the hospital, as everyone working/ serving in the hospital seems to be dedicated to their works.
- It is identified that the Dhulikhel hospital has good quality and competent team to provide quality and efficient health services to those patients visiting to hospital as well as to the community health centres.
- In order to ensure that the hospital is providing quality health services, every patients visiting to the hospital have equal opportunities to be consulted by two or more than two different specialists.
- The provision of free health care services for those poor people is available at the hospital around the clock.
- Review of records of patients receiving health care services from hospital shows that, the number of patients visiting Dhulikhel hospital is in the increasing trend from about 40 thousand in 2004 and more than 95 thousand in 2008. The similar trend was identified in patients visiting for inpatient services too.
- As part of community hospital, the Dhulikhel hospital has been implementing different community health programs to the community people who are in needs of health services and programs to their doorsteps.
- Hospital has it own 12 community health centers in different remote villages.
- The hospital has employed its principle of social equity and given high priority to the community-based preventive health activities.
- The major areas of current community based health programs are: 1) Community outreach programs 2) Partnership with different organizations 3) Public health programs and 4) Research and development related activities

- The Dhulikhel hospital has been providing community health services to the community people through twelve different community health centers in Kavre and surrounding districts. Through these community health centres, various preventive, promotive, curative, and rehabilitative health care services.
- In order to establish and strengthen coordination and collaboration with different line agencies, the Dhulikhel hospital community health centers have been used to provide some necessary space to those organizations who are willing to provide health care services to these community catchment areas as well.
- The health paramedical staff provides health services around the clock from the health centres. The general doctors and specialized doctors visit health centres periodically in order to provide specialized health care services to those patients who would not be able to reach to Dhulikhel hospital.
- All beneficiaries interviewed in the study reported that the community health programs being implemented by Dhulikhel hospital are most useful, and have contributed in many ways including improving health status, enhancing capacity of women, income status of women and other community development activities.
- Dhulikhel hospital has helped community people in providing emergency care, quality health care, and specialized medical care through weekly Doctors visit to the community health centres. Additionally Dhulikhel hospital does conduct periodic health camps in needy health problems periodically such as: general health problems, OB Gynae, uterine prolapse, dental and orthopedic health problems etc.
- Dhulikhel hospital has good coordination with government health institutions in Kavre districts as the hospital has been working collaboratively with government health facilities in different community health activities including running maternal health programs, child health programs, uterine prolapse camps, mobile general health camps and routine health care services etc. at the community level.

- For the purpose to maintain recording and reporting system up to date and accurate the standard registers for those patients visiting Dhulikhel hospital and the community health centres were developed and utilized. Dhulikhel hospital and the community health centres have monthly reporting system to health management and information system (HMIS), of Government of Nepal.
- Logistics for the all community health centres under Dhulikhel hospital have been supplied by Dhulikhel hospital, for which the logistic team and the concerned health centres staff use existing logistic management system of Dhulikhel hospital.
- The managers of the Dhulikhel hospital normally do regular and close supervisions, though every one at the hospital and community health centres identified to be equally responsibilities on it.
- Dhulikhel hospital organizes daily morning meeting prior to the works start in order to update about the daily activities, share knowledge, ideas, opinion and to plan for the coming activities. This is one of the best practices ever seen in the organizations where they come together everyday and share their current activities. This approach is found to effective tools for effective monitoring and evaluation of ongoing hospital as well as community health activities. In addition to the daily meetings and informal meetings, each and every department have their monthly reporting system of their respective works as well as services they have provided.
- Dhulikhel hospital has its own management committee headed by local community leaders, managers, social workers etc. which looks after the overall activities of the hospital including planning of annual programs, financial plan, organizational development plan, human resource development plan and the strategies etc. for the effective implementation of those plans. Similar structure has been developed in the establishment and functional implementation of community health centres and the community health programs too.
- It is reported that the income from patients and student of medical sciences is enough to run the hospital without any foreign assistance. However the external fund, government

fund, contribution, endowment fund are essential for the construction of buildings, acquiring different equipments and human resource development especially in abroad.

- It is reported that the hospital is managing the administrative expenses to run the day-to-day activities through the operational revenue of hospital and other fees of hospital service. The whole portion of donated fund and other income e.g. KU Medical Education Program etc. are investing in long term development and fixed assets of the hospital.
- It was explored that the Dhulikhel hospital has adopted the policy of financial sustainability in order to run hospital as well as community health activities. In addition to the support from NepaliMed Europe, the hospital has been exploring financial supports from other sources including nongovernmental sector, government sector, and the social sector etc.
- In connection with financial sustainable plan, the hospital has established its collaboration with the Kathmandu University Running Medical School which also support the hospital. Other internal source of income, like charges from hospital services, equipments charges are also assets for the financial sustainability.
- Dhulikhel hospital develops annual budget plan and exercise the expenses within the budget approved by the annual general meeting (AGM).
- The hospital is adopting the policy to economize in purchasing goods and services for without compromising the quality and its standards. Though the documents do not support that the hospital has standard of cost for the programme and administration.
- Drug and Therapy Committee decides the name and brand of the medicine for the hospital and the hospital purchases such goods directly from the manufacturer to minimize the cost of items.

- Procurement Committee chaired by the Administrative Director is authorized to purchase upto Rs. 2.5 Million through the quotation system. Only buildings are found constructed under tender process.
- All the goods imported under duty free scheme are recorded in the computer system. Those goods are found utilized by the hospital for public welfare purpose. All machine and vehicle are found distributed in different department and utilized for public welfare purpose. No case of assets disposal found executed till date imported under duty free scheme. See annex for list of goods/equipments imported under duty free scheme.
- The actual support in comparison with the committed support by the NepaliMed Europe is less every year.
- As per the project agreement between SWC and Nepalimed, Nepalimed has to prepare their financial report each year, which has not been found implemented. Further as informed by the hospital management, other funding agencies are the associated fund raising agencies of Nepalimed, which needs to be mentioned in the financial statement of Nepalimed.
- The project agreement has not described the expected outcome of the project, hence the variance level between the actual and committed level of activities of the project could not be compared.
- It is identified that the hospital has not done registration to the tax office as well as it is yet to obtain permanent account number (PAN).
- It is one of the good practices that all the fixed assets are recorded in computer system of Dhulikhel hospital.
- No case of disposal of fixed assets received under duty free basis has been found so far

- AGM of the organization is being held on regular basis once in a year. In AGM, the future plans of the organization are discussed before the annual budget is prepared. AMG has also discussed to expand other sources of income beside donation, gift and contribution for the sustainability of the hospital. Review of the AGM minute shows that the authority to the concerned personnel and the departments based on needs are given. For example, the AGM on 2065.04.12 decided to give authority to the Medical Director for the approval of project up to cost NRS. 20 Million.
- Regular activities are executing by the concerned department under the delegated authority. Executive committee is monitoring the activities and day-to-day affairs of the hospital regularly. Concerned department heads are responsible for their respective job. Regarding internal control system in procurement and other more capital-intensive responsibilities, separate committee has been formed. Medical Director is the head of executive of the hospital. Review activities and variance analysis has been found discussed in Board meeting of the hospital.
- It is identified that the financials of Dhulikhel Hospital has been prepared and audited during the period of FY2004 to FY2007. However it is underway for the FY2008.
- As per the documents reviewed, NepaliMed and its associate donor agencies have been sending their supports through NepaliMed account.
- The variance on budget and the actual activities has been found regularly in each year. It may be the cause of lack of preparation in budgeting procedure of the hospital.
- The hospital is achieving the targeted activities mentioned in the budget. However huge variance on income source and expenses has been observed in most of fiscal year. The overall procedure of the budget preparation is well. However, the variance in most of fiscal years revealed that predetermination and expectation of the budget are matched with the actual outcomes.

- The hospital has adopted the policy of financial sustainability of the organization. It is found that, the hospital has been exploring other sources of income beside donation and gift from the foreign donors (INGO).

4.2 Recommendations

Based on findings and the conclusion made above, the following recommendations are made.

- Since the Dhulikhel hospital is found to be one of the good community hospitals established with the vision to provide quality health care services to the people, irrespective to their level of poverty and affordability, the current health services through hospital and community health centres are necessary to be continued, even to be extended and expanded in its areas of coverage in Kavre district and other parts of Nepal.
- The major stakeholders involved in different hospital based as well as community health based programs were community people, community leaders, managers, district public health office, local health facilities, and other line agencies, hence it is recommended to continue this coordinative approach in order to implement health activities effectively and maintain quality of services.
- As all the beneficiaries included in this study reported, the community health programs being implemented by Dhulikhel hospital are most useful, and have contributed in many ways including improving health status, enhancing capacity of women, income status of women and other community development activities, the Dhulikhel hospital should take account to continue those activities at the larger scale.
- Daily morning staff meeting at Dhulikhel hospital found to be one of the best practices ever seen in the organizations, which is considered as effective tools for effective monitoring and evaluation of ongoing hospital as well as community health activities. This practice seems to be a part of learning and replication to other organizations for organizational development.

- The findings do not support that the NepaliMed and Dhulikhel hospital has utilized standard format to depict some major aspects of the project, such as: target of the project, specific activities, detail work plan etc. while developing general as well as project agreement, it is recommended to utilize standard format in order to consider these aspects of the project. For example utilization of logical framework for the project development.
- As per project as well as general agreement with social welfare council (SWC) the separate financials statements of NepaliMed Europe was not maintained, hence it is strongly recommended to keep the financial records of NepaliMed Europe separately onward.
- The records do not suggests that the financial disclosure to SWC was made regularly as per the project agreement, so it is recommended to furnish the financial information to SWC regularly on timely manner.
- It is explored that, the Dhulikhel hospital and the other stakeholders of NepaliMed Europe have not been practicing public auditing annually, which is key tools/ practice to ensure transparency of the project. In order to ensure transparency of the supports made by NepaliMed Europe, it is recommended to practice public auditing annually. For this Dhulikhel hospital should facilitate it to practice at the highest level inculcating all partners and stakeholders at the community and district level.
- It was identified that the same auditor did the auditing for several years, and the auditing was not yet done for this year as per statutory purpose till the inspection period. So in order to avoid biasness and practice financial good governance it is recommended to do auditing by different auditor and different company in the coming years.
- To minimize the cost of goods and to ascertain the transparency in the procurement procedure, it is advised to apply tender policy on it for the most possible cases, so that the cost of goods and services could be low due to the competition, however quality of goods should not be compromised.

- As evidenced from auditors report and the other financial documents, some transactions are made through the cash. To ensure strong and effective internal control system, it is recommended to make transactions through bank and to make resources more transparent.
- It is reported that the Dhulikhel hospital is not registered in tax and has not obtained permanent account number (PAN) so far, hence it is recommended to register in tax and obtain PAN in order to practice appropriate taxation.
- The documents show that, some organizations including Nameste Stiftung and Sticking Wilde etc. have regular funding to the Dhulikhel hospital. As per the management, these all are the fund raising agencies of Nepalimed. It is recommended that such disclosure have to be mentioned in financial statement of Nepalimed too.
- The hospital is managing the administrative cost from the internal source till date. This is one of the good practices to maximize the project cost, which is not reflected in the project agreement. Hence it is recommended to reflect administrative cost in the project agreement to be done with SWC, Nepal.
- The overall procedure of the budget preparation is well. However, the variance in most of fiscal years revealed that predetermination and expectation of the budget are matched with the actual outcomes. Beside, variance approval authority may be utilized haphazardly. Such authority should be allowed to board or the AGM only. The variance on approved budget should be discouraged.