



HOSPITALLER ORDER OF
Saint John of God

GUIDELINES
FOR PROJECT MANAGEMENT
AND FUNDRAISING

LATIN AMERICA REGION

Argentina, Bolivia, Colombia, Chile, Cuba, Ecuador,
Honduras, Mexico, Peru, Venezuela



The Hospitaller Order of Saint John of God

The Brothers of St John of God are a not-for-profit Catholic religious Institution which promotes social and health care assistance to the needy and the sick. By practising hospitality, we encourage comprehensive and humanised care driven by our values of quality, respect, accountability and spirituality

We are present in 53 different countries in all five continents with 400 Apostolic Centres, 1250 Brothers, more than 40,000 Co-workers, 33,000 health care and social PLACES, through which we are able to benefit more than 20 million people.

We are helping to bring about a more just development process, working through various social/health care programmes in communities in need of our assistance. With the participation of our Co-workers and Volunteers, we are able to implement our comprehensive care programmes to every part of the world, making us one of the world's largest not-for-profit international cooperation organisation.

Our work is deployed in hospitals, care centres, health care centres, social services and communities of Brothers. All the centres are typically pluralistic, and above all they share a social commitment with many other public, Church and private institutions and agencies with whom we pursue similar motivations and share a common vision.

This predilection for the most vulnerable people both because of their sickness or lack of resources is the driving force for setting up and deploying international social action and health care programmes



ORDEN HOSPITALARIA DE
San Juan de Dios
LATINOAMÉRICA





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Letter from Brother Superior General



Rome, March 8, 2015

I am delighted to be able to write these lines on the occasion of the publication of the *Guidelines for Project Management and Fundraising* for the Latin American region of the Hospitaller Order of Saint John of God. I wish to thank all the Provinces and Delegations in the region for their efforts over the last few years with the support of Juan Ciudad ONGD and the General Curia's Missions and International Cooperation Office.

Their work is serious and professional, always maintains the philosophy and values of our Order and remains faithful to our charism and hospitality mission. I would particularly like to thank the team of people who worked directly on this manual, which I am sure will be a valuable tool for the Provinces and Houses for all matters related to fundraising and, above all, for projects which may enhance our mission to assist the sick and needy.

The 2012 General Chapter encouraged the entire team to drive what we traditionally called *charity* and now calling *fundraising*. It is actually something which has always had a strong presence in our Order. Until fairly recently, the mission for our whole Order was supported by charity, but now many centres and projects can be developed thanks to the donations and financial support we receive from people and institutions.

Fundraising Drives is now a necessity and a financial and evangelical requirement too. On the one hand, the economic means are needed to respond to and help needy and poor people. However, charity and help for those who need it most is a human and Christian requirement which falls under the scope of hospitality and our Order must promote it and open up channels so that people can demonstrate their solidarity and generosity.

At the same time, we are responsible for fundraising in a modern, ethical and transparent manner, using the latest technical and professional means. That is why I believe this manual will be a great help for the Latin America region and for all the Order's regions around the world, whom I ask to adapt their fundraising as much as possible to suit their area.

Once again, congratulations to the authors and other people involved in producing this wonderful tool, which I am sure will be a great help for everyone in this very important work, which began with our founder, Saint John of God, whose saint's day we celebrate today.

May hospitality always lead us in our Saint John of God Family!

Brother Jesús Etayo
Superior General

Fra Jesús Etayo

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Introduction: Values of the Hospitaller Order of Saint John of God

In harmony with the values of the Hospitaller Order of Saint John of God, these Guidelines for Project Management and Fundraising abound with the principles, charism, and mission included in the Charter of Hospitality of March 8th, 2000.

In that, it specifically states that both Brothers and Co-workers are the Order's most important "capital" for fulfilling the mission and from this commitment, recently highlighted in the LINES OF ACTION AND PRIORITIES OF THE LXVIII GENERAL CHAPTER, we understand that:

"It is a matter of priority that we keep the charism and mission of the Order alive and thematically relevant, dedicated to serving the poor, the sick, and the needy, in accordance with the spirit, values, and ethics which St John of God has inspired in us. In particular, we must be sensitive to the new states of poverty in the world, which have been caused by the economic crisis, inequalities, and injustice and are expressed in the faces of the most vulnerable members of our society¹."

As part of this commitment, the players for whom these Project Management Guidelines have been written should understand the message within this institutional framework, adapt it to the reality of each of their own situations and be aware that: "The management of the Works and Services of the Order is based on the hospitality mission and charism of St John of God"; therefore, "Things have to be done well and meaningfully, based on the principles which justify and define our Institution and its mission.

In this way we shall ensure the sustainable development of our works according to the spirit of St John of God.²

The projects governed by these guidelines should, therefore, be based on and respect that platform.

March 8, 2015

¹ Lines of action and priorities of the LXVIII General Chapter. C.f. Introduction

² Lines of action and priorities of the LXVIII General Chapter. III.I Charismatic management



I. THE GUIDELINES, CHARACTERISTICS Y OBJECTIVES

1. Presentation of the guidelines

These **Guidelines for Project Management and Fundraising** are the result of the interprovincial collaboration among the provinces of the Hospitaller Order in the Latin America Region, with advice and assistance from the HO's Missions and International Cooperation Office and Juan Ciudad ONGD.

They are also the product of a systematic building of a culture of projects, facilitated by various meetings in the last four years and the establishment of a Technical Work Group which was responsible for the methodology and approaches discussed here.

These guidelines should be considered a first draft which should be validated and gradually implemented at the various provinces and their centres, and tested and/or assessed continuously by the Interprovincial Technical Work Group formed.

They offer practical guidelines for centres to formulate project proposals which are viable from an economic, social, political, and environmental point of view. It covers all the steps for executing a project: from identifying the main problem, addressing the issue, planning the execution of the project, its follow-up, and evaluation.

The approach for executing projects is based on widely accepted planning methods which are known as "*project cycle management*" and are currently used by organizations such as USAID and GTZ (a German cooperation), as well as all the UN agencies.

It is worth clarifying that this document does not provide guidance on how to manage concrete assistive development activities; rather it is on how to draw up and plan its execution effectively. The Guidelines focuses on the preparation of successful proposals which address demand.

The Guidelines' execution instructions will help users to respond to concrete development requirements and enable them to fulfil eligibility criteria established by donors, cooperation agencies, and even governmental agencies. Donors are more and more frequently supporting initiatives which strengthen beneficiaries' ownership capacity, improve the overall effectiveness of the help, and reduce the cost of developed assistance management.

2. Institutional and operational framework of these guidelines

2.1. Players involved

The document is specifically for Brothers and Co-workers involved in project management processes and, more concretely, those responsible for projects and fundraising in each province.

Leaders in the projects domain from southern and northern South American and Colombian provinces have taken part in the preparation of the document, with the contribution of Juan Ciudad ONGD and the supervision of the Missions and International Cooperation Office of the General Curia.

2.2. Geographic scope

These Guidelines are intended to be useable by all, and to be a tool which may be applied in any province of the Hospitaller Order of Saint John of God around the world.

Given that each project is unique and different requirements need to be met, at a specific time and place, it is natural that each centre should apply the Guidelines for Project Management and Fundraising according to its characteristics and cultural and geographical context.

The fundraising and project managers or leaders in the region should therefore seek to align this management tool with the long-, medium- and short-term planning processes of its centre and province.

2.3. Legal framework and application

The benchmark for the application of these Guidelines, within the HO's legal framework, is based on the General Statutes, the declarations of the General Chapters and other planning activities from each of the provinces.

Furthermore, given the international scale of the document, it should be adapted to the legislation of the applicable countries and, where appropriate, to donors' requirements.

These Guidelines for Project Management and Fundraising are approved by the Missions and International Cooperation Office of the Hospitaller Order of Saint John of God, and they are provided to the Provincial Councils for their respective revision and eventual approval to facilitate their deployment in all healthcare facilities and fundraising projects.

In that regard, the fundraising and project managers and leaders of each province will be responsible for designing, proposing, and executing a training program in coordination with the relevant areas.

These guidelines will be subject to an assessment in two years, although periodic evaluations are expected on how well they are being implemented in each province and centre, and areas for improvement will be proposed.

2.4. Purpose

The purpose of these Guidelines is to strengthen capacities for programme planning and joint work, as well as fundraising projects and mechanisms, so that they are managed with transparency, relevance, efficiency, effectiveness, impact, and viability in mind.

Thus the allocation of available resources should be optimised by selecting those projects which create the greatest value from an economic, financial, social, and charismatic point of view. It is worth mentioning that from a financing perspective, the type of project conditions does not determine the type of financing it receives; calling for personal resources, private leverage, cooperation, or implementing mechanisms that enable a culture of solidarity to be developed. In all cases, however, it will always be necessary to define clearly how much to invest and what to invest into.

2.5. Objectives

2.5.1. General Objective

Sharing, systematising, and proposing a project management and fundraising model for the Hospitaller Order Of Saint John of God centres in Latin America, with a view to optimising the use of own resources, credit and cooperation intended for investment by establishing principles, processes, methodologies and technical standards for the various stages of projects.

2.5.2. Specific Objectives

- Establishing methodological guidelines for project management and fundraising for all the SJOGHO centres in Latin America.
- Providing a management tool which enable project cycles to be prioritised and programmed in the short-, medium-, and long-term.

- Ensuring that resources are efficiently mobilised for the funding of private projects.
- Contributing with the management of our healthcare and non-health care centres to improve spending efficiency, with a view to identifying investment requirements and their arrangement in a prioritised portfolio.
- Beginning a general construction process and deploying methodology for working on projects and fundraising.

2.6. Operational Framework for these Guidelines

2.6.1. Basic Definitions used in the Guidelines

- **Strategic Planning** is the process of deciding where the organisation wants to get to and why, then choosing between different courses of action with a view of ensuring the best chance of achieving goals. It helps an organization to define clearly the measures to be taken when faced with opportunities and emerging challenges, maintaining long-term sustainability and coherence at the same time. Planning is usually for the long-term (at least three or four years, up to 10 years). Planning is understood as a process which guides the general direction of an organization by setting out a vision and a mission, and the strategic objectives or targets needed to make them reality.
- **Strategic Objectives** are long-term results that an organization hopes to reach with regard to how its institutional mission and vision develop and operate. Strategic objectives should include a schedule and outline of the assessment mechanisms.
- One of the essential functions of the **Strategic Plan** is to guide and influence more detailed planning at operational level. Therefore the strategic plan is a key reference point for project and program directors when they are designing, executing, and assessing an audit of the various HO centres.
- **The Investment Master Plan (IMP)** in healthcare centres is the planning, negotiation, and management tool for investment processes in the short-, medium-, and long-term, intended to strengthen the capacity of the centres by efficiently allocating their resources. IMP is a management tool for development of infrastructure, equipment, and capacity. Every centre must have this tool.
- **An Operational Plan (Operating Plan or OP)** is the process to determine the form through which the objectives listed in the strategic plan are turned into reality. For that purpose a series of steps are taken which identify or refine more detailed objectives in each level, connected to the objectives of the strategic plan. Those objectives can then be grouped and organized into plans, programs, and projects. Shared operational planning is short-term (between several months and three years).

- In order to translate the strategic objectives into practical results, the measures needed must be planned (in a work plan), as must the costs (in an estimate), the form in which the activities will be financed (in a resource mobilization plan) and the individuals who will carry out the activities.
- **The relationship between strategic and operational planning** is also a cyclical process in which the operational planning experience is used to inform the strategic planning, and the strategic planning is in turn used to inform the general direction of the operational planning. Operational plans are often made up of several programs which, in turn, consist of several projects. Projects and programs comprise several activities, which are the smallest elements that we plan.
- **A Plan** (for example, a geographic or technical area) is the highest level of operational planning. It groups together several programs (and their respective projects, activities, and so on) with a view to achieving part of the organisation's strategic objectives.
- **A Program** is a set of coordinated projects carried out to achieve specific objectives in accordance with defined time, cost, and performance settings.
- **A Project** is a set of coordinated activities carried out to achieve specific objectives in accordance with defined time, cost, and performance settings. A project is proposed to encourage the resolution of a problem or unmet human need considered relevant and a priority for the development of a specific human group, area, or region.

It could be said that a project is geared towards creating, expanding, improving, modernizing or recovering skills and/or production capacity to aid its beneficiaries, according to the intended objectives and desired impact. Its benefits are generated throughout its lifespan.

Projects can take on a variety of forms, depending on its goal, they may be classified as:

- **Private investment projects:** In this case the project is intended to create financial and economic profitability, in a way that enables capital invested by the company or different investors to be recovered in the execution of the project.
- **Public investment projects:** In this project type, the state is the investor that puts forward its resources to execute the project, with social well-being in mind, so that the project is not only economically profitable but also improves the social well-being of the affected group or in the execution area. Those improvements, for example, the creation of jobs, should be an indirect result of the project. In this case, a project may not be economically profitable *per se*, but it may have considerable impact, so its total or social return enables the project to recover the state's investment.
- **Social investment projects:** The only purpose of a social project is to result in a positive impact on the social well-being of a specific group. In these projects, economic return is not generally measured; it is more important to measure the project's future sustainability: whether beneficiaries will continue to create benefits for the society, even after the execution of the project and therefore the funds for it have ceased.

A social project's gains lie in human, social capital, and community development. These "*gains*" are for the community itself and therefore a third party cannot take over what people have worked towards for the benefit of their collective and personal development.

Social projects do not have to create financial gains; their benefits or uses must benefit the target group socially. However, they must not incur a loss, as someone would have to take on the cost. Consequently, all social projects must aim to be sustainable and to maintain a balanced budget.

- **Charismatic investment projects:** We could say that charismatic investment projects are initiatives which, like a social investment project, are intended to have an impact, carry out an urban change, fulfil a need, or find a definitive solution regarding the social well-being of a group which is clearly being marginalized by other public or social entities and which, by itself, could not meet that requirement without other support. Their objective is to obtain "charismatic benefits", even when the level of precariousness of these groups would make it impossible to obtain minimum sustainability levels.

On many occasions, this situation has made the Institution a pioneer (substitution of the state or relevant company) in programs and projects, financed by private benevolent funds and benefactors that are taken under the auspices of countries' public sectors over time.

In short, while a private project seeks private profitability ("*for-profit*"), maximising returns, a public or private social project seeks to fulfil a need without an economic reason to carry the project out, that is, it seeks to obtain social benefits and social profitability ("*non-profit*") and a charismatic project seeks charismatic profitability ("*for charisma*"), even when a project is not sustainable.

In any event, it can be said that, in general, a project is a decision-making tool which guides and supports the rational process for making decisions, given that it enables the advantages and disadvantages to be weighed up in the resource allocation stage to determine the private, social or charismatic profitability of the project, on which basis the investment should be planned.

From this prospective, preparing and evaluating a project helps to reduce initial uncertainties regarding the suitability of an investment being made. A more informed decision will always be a better decision.

- **An Activity** is a combination of various tasks, all of which have the same goal. Activities are the basic level of measures that needs to be planned.
- **Tasks** are the simplest measures within activities.
- **Management Indicators** are defined as the criteria or standards used to estimate the performance or productivity of input, resources and efforts according to the time and cost required to reach a specific development objective.

- **Project Management** is the combination of processes, activities, and tools needed to guide a project to a successful outcome.
- **Added value** is the impact of a project, or the quantitative effect of the change to the problem suffered by the target population as a result of the delivery of the project products (goods or services) to those people.
- **An Initiative** starts something off; it is the first step in a project or the starting point of any action.
- **A project's cycle life** sets out the phases which connect the start and end of a project. The Project Cycle provides for the Pre-Investment, Investment, and Post-Investment phases. During the Pre-Investment Phase of a project a specific problem is identified and then solution alternatives which provide the best social or private profitability are iteratively analysed and evaluated. In the Investment Phase, the project begins to be executed according to the settings approved in the declaration of viability for the alternative selected; in the Post-Investment Phase, the operation and maintenance of the project begins and the ex post evaluation is carried out.
- **Model:** The benchmark framework which provides the ideal form that the work will take and the ideal relationship between the work's different structural components.
- **Management:** The discipline of organizing and managing resources for appropriate decision- making so that the established goals can be met within the specified range, time, and cost.
- **Management model:** The benchmark framework that defines the gathering of policies, systems, processes, and instruments that, operating consistently, establish the manner in which to lead and direct, enabling decision-making which is adequate and appropriate for meeting goals within new and changing scenes.

II. PROJECT MANAGEMENT

1. Model of project management by levels

The Model of Management is used to promote the proper functioning of projects, defining a set of participants, and their roles and responsibilities; as well as the interrelation between different forms.

Within the framework of the present Manual, we understand by Project Management joint processes, activities and tools required to guide a project to a successful outcome; i.e. it is the way of organizing the work of the projects in our Centers and Provinces.

The proposed model of Project Management raises an interrelated plan, which is based on three levels:

- 4.1. Strategic Management of Growth and/or Development
- 4.2. Corporate Management of Projects
- 4.3. Operational Management of Projects

1.1. Strategic Management.

It is so called since it shows management of growth and/or development at Provincial level and in each centre; making reference to the Strategic Plans of the Hospital Order (SPHO), the Provincial Strategic Management (PSM); from which strategic plans of each Centre are formed (SP C1...) CN), as well and its related Master Plan of Investments (MPI C1...) CN).

1.2. Corporate Management of Projects.

It is the Provincial Decisive Instance, which determines the impact project portfolio "Corporate - Provincial", for a given management period, normally 4 years, with the possibility of annual updates. The present Manual proposes the creation of a Provincial Project Committee (the nomenclature and its internal composition can change according to each specific reality), chaired by the Provincial Superior and shaped by the Advisor responsible for the Charismatic Management and the Director of Centers. The said Committee would advise the Provincial Project Manager (or the head of projects at Provincial level)

1.3. Operational Management of Projects.

It is the instance of Project Management in each Centre, which takes as a reference its own Strategic Plan (SP) and Master Plan of Investments (MPI). It also intends to settle a Center projects Committee, chaired by the Executive Director who, together with its General Manager and Medical Director (the nomenclature and the internal conformation of the Committee varies), advised by the project manager or the officer in charge of the management of projects at the Center, then prioritizes, proposes and approves its portfolio of strategic and non-strategic projects.

It should be noted that what we call strategic projects are those that are in full line with the Strategic Plan. Projects that arise from opportunities not referred to in Strategic Plan, are considered non-strategic.

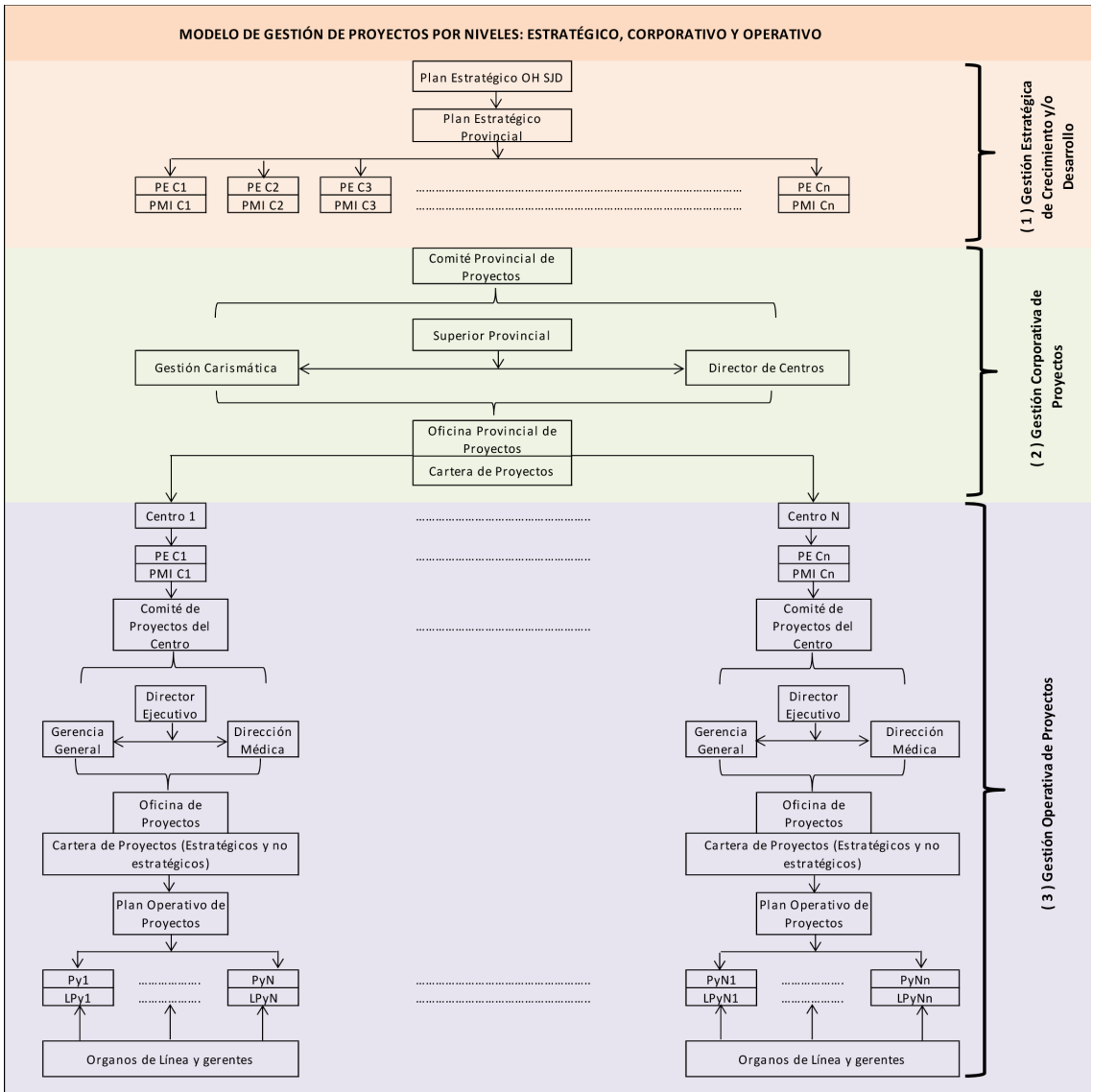
The established portfolio of projects must last 4 years, year after year, according to the new conditions and can be updated. They are the basis for the operational planning of the projects that runs every year.

The bodies of line are instances that identify and eventually create new projects.

The following chart summarizes the tiered management model, proposed in the present Manual.

Within the framework of the present Manual, the methodological aspects involved in the formulation of the strategic plans of Provincial level or Center, and the issues relating to the formulation of the master plans of investment (PMI) will not be addressed. Even though they are constituent parts of the model, it is assumed that these management tools already exist and are the essential inputs on which all project work is developed.

II. PROJECT MANAGEMENT



Modelo de Gestión estratégica por niveles: Estratégico, Corporativo y Operativo –
Model of Project Management by Levels: Strategic, Corporate and Operational

Plan Estratégico OH SJD	<i>Strategic Plan OHSJD</i>
PE (<i>Plan Estratégico</i>)	<i>Strategic Plan</i>
PMI (<i>Plan Maestro de Inversiones</i>)	<i>Master Plan of Investments</i>
Comité Provincial de los Proyectos	<i>Project Provincial Committee</i>
Plan Estratégico Provincial	<i>Provincial Strategic Plan</i>
Superior Provincial	<i>Provincial High Court</i>
Gestión Carismática	<i>Charismatic Management</i>
Director de Centros	<i>Centres Director</i>
Oficina Provincial de Proyectos	<i>Provincial Project Office</i>
Cartera de Proyectos	<i>Project Portfolio</i>
Centro 1	<i>Centre 1</i>
Centro N	<i>Centre N</i>
Comité de Proyectos del Centro	<i>Central Project</i>
Director Ejecutivo	<i>Executive Director Committee</i>
Gerencia General	<i>General Management</i>
Dirección Médica	<i>Medical Management</i>
Oficina de Proyectos	<i>Project Office</i>
Centro de Proyectos (<i>Estratégicos y no Estratégicos</i>)	<i>Project Centre (Strategic and non-Strategic Projects)</i>
Plan Operativo de Proyectos	<i>Operational Plan for Projects</i>
Órganos de Línea y gerentes	<i>Line Agencies and Managers</i>
Gestión Estratégica de Crecimiento y/o Desarrollo	<i>Strategic Management of Growth and/or Development</i>
Gestión Corporativa de Proyectos	<i>Corporate Project Management</i>
Gestión Operativa de Proyectos	<i>Operational Project Management</i>

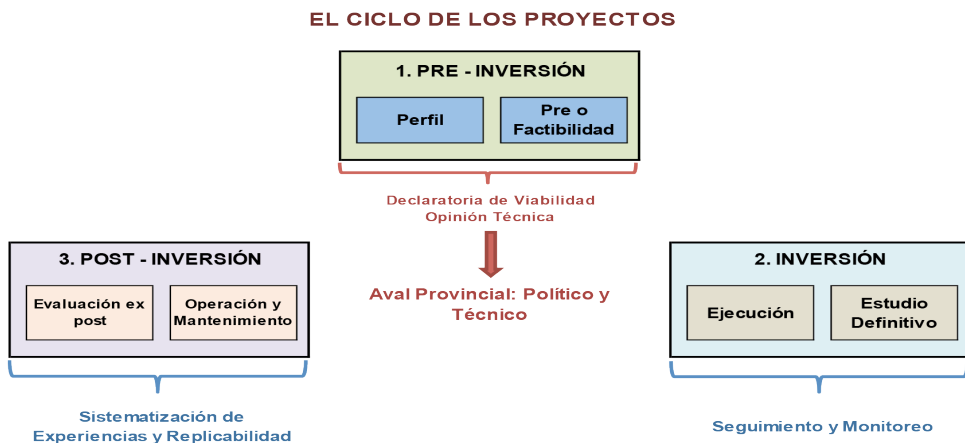
2. Based methodology: project cycle

The projects consist of a set of activities in which physical and human resources are used to produce goods or services in a given time. These can vary in scale, purpose and duration; they can take shape in the line agencies, run with few supplies, and produce tangible results in a short period of time.

Other projects may need huge financial resources and generate only long term profits. The first case can refer, for example, to a project of occupational therapy. The second case could be the construction of a new pavilion of surgery. In the first case, few inputs would be required, such as material and some occupational therapist. In the second case, on the other hand, health care infrastructure, equipment, professional health, inputs, etc. would have to be provided.

However, despite the differences in the scale and nature of the projects, there are aspects of the management that are common to all of them. In that sense, we pointed out that projects are planned and are carried out according to a well-established sequence. This sequence begins with an agreed strategy, which involves the idea of a precise action. The said action is then formulated, executed and evaluated to improve the strategy and the future interventions.

In short, a project goes through a process called a PROJECT CYCLE. The project cycle is the sequence that must follow the whole project within the intended Management Model. This cycle comprises three phases: INVESTMENT, PRE-INVESTMENT and POST-INVESTMENT.



El ciclo de los proyectos	<i>Project Cycle</i>
Preinversión	<i>Pre-Investment</i>
Perfil	<i>Profile</i>
Pre o Factibilidad	<i>Prefeseability or Feasibility</i>
Declaratoria de Viabilidad	<i>Declaration of Viability</i>
Opinión técnica	<i>Technical Opinion</i>
Post –Inversión	<i>Post-Investment</i>
Evaluación ex post	<i>Ex post facto Evaluation</i>
Operación y Mantenimiento –	<i>Operation and Maintenance</i>
Sistematización de Experiencias y Replicabilidad	<i>Experience and Replicability Systematization</i>
Aval Provincial: Político y Técnico	<i>Provincial Endors Ement: Political and Technical</i>
Inversión	<i>Investment</i>
Ejecución	<i>Execution</i>
Estudio Definitivo	<i>Definitive Study</i>
Seguimiento y Monitoreo	<i>Follow up and Monitoring</i>

The project cycle begins with the identification of the problem, a need or opportunity that requires a solution.

2.1. Pre-Investment Phase: Which studies form the Pre-Investment Phase?

This is the first phase of the project cycle, it prepares the different studies that make it possible for a project to be: social, profitable, sustainable, consistent with the guidelines of the Provincial Curia and the Hospital Order, and depending on who makes it, to be framed according to the plans drawn up by the different centers of the Hospital Order in the province.

2.1.1. Concept Note:

The purpose of the Concept Note (CN) is that the Formulation Unit State simplifies clearly and concisely its interest in carrying out the project. The CN does not constitute a complete and definite description of the project. The detailed project and its budget will be prepared in their entirety once the Project Committee of the center gives its support for its formulation.

The purpose of the CN is to give enough information to enable the Project Committee to decide whether they should develop or formulate studies that apply in order to determine the viability of a project or not. For this reason, it is recommended that the extension of this document do not exceed 4 pages.

A model with the minimum information required is detailed in the Annex 1.

Once the project Committee has agreed, there can be up to three levels of studies, in accordance with the complexity and amounts involved in each case.

2.1.2. Profile

It is the first stage of the Pre-Investment phase. It has as its main objective the identification of the problem that makes the project necessary.

Along with the problem, the causes are identified, as well as the objectives of the project, the alternatives of solution to the problem and a preliminary assessment of these alternatives. This study is developed on the basis of the best available secondary and preliminary information.

Usually the vast majority of projects only reach this level in order to determine their viability. However, the Project Committee may determine that, because of the complexity and the amounts involved, a project should move on to higher levels of analysis.

2.1.3. Prefeasibility

Once the study of the profile is approved, if necessary, the prefeasibility study takes place, where the main objective is to define the alternatives identified in the profile study, on the basis of a more detailed information. This study defines the selection of technologies, location, size, and timing of the investment.

2.1.4. Feasibility

Once the best alternatives are determined in the prefeasibility study, if required, it is time for the study of feasibility of the best selected alternative. Thus, the study will define: the location of the project, the technology, the timetable for implementation, commissioning and launch, organization, management and financial analysis.

Why are the Pre-Investment studies important?

Different levels of pre-investment studies allow progressive reduction of the uncertainty of the risk of investing. Note that each study involves a higher level of depth which reduces the uncertainty in the analysis, which will mean a higher cost in money and time.

In the case of big projects that involve a large outlay of money, the deepening of the studies is justified in order to reduce the high level of uncertainty (risk).

Is the elaboration of the three studies required for any kind of Projects?

No. The profile is mandatory for any project, while the prefeasibility and feasibility studies may not be required depending on the characteristics of the project (amount of investment, complexity and technology, among others).

2.2. Steps of Pre-Investment phase

Phase STEP 1: Elaboration of Pre-Investment Studies

As we have seen above, the pre-investment phase is given by the elaboration of the concept note and is followed by profile, prefeasibility and feasibility studies.

Pre-investment studies may be prepared according to the Format of Minimum Content for Project Profiles (Annex 3). In case feasibility or prefeasibility studies are required, there will be coordination with Provincial Project Management Office or entity responsible for the content thereof.

STEP 2: The Project Registration at the Bank of Projects – Creation of the Project Code

Once the pre-investment study is finished, the Formulation Unit requests to the Project Committee their respective approval. The Project Committee, on its turn, should apply for registration and evaluation of the project in the Bank's projects of the Provincial Curia, as a prerequisite to the evaluation of the said study.

This application for registration is automatic and should be submitted formally to the Provincial Office of projects for their respective evaluation. The said Office would generate a unique identification code that would allow the monitoring and evaluation of the project during all phases.

The Bank of Projects of the Provincial Curia contains the record of all the projects, for which profile, prefeasibility or feasibility study has been made, and records the evaluation of the project during the Pre- Investment phase.

The nomenclature which forms part of the codes would be up to each province.

STEP 3: Evaluation by Provincial Project Office

Once a project is registered on the Bank of Projects, the Formulation Unit should submit the Pre-Investment study to the Provincial Project Office.

The Provincial Project Management Office has a deadline for the evaluation of the studies of pre- investment, after which the technical report (project evaluation format) will be issued with the following possible results:

- It observes the study of pre-investment and forwards it to the Formulation Unit (along with the list of observations) to enable it to make modifications.
- It rejects the Pre-Investment study.
- It approves the study, declaring its viability.

STEP 4: Declaration of Viability

Being the Declaration of Viability of the Provincial Project Office a technical opinion, and, taking into account the qualities and expected benefits of the project, the declaration is automatic and is the result of the approval of the Provincial Project Office.

A Profile or Project is declared viable when pre-investment studies have shown that the project is:

- **Rentable:** depending on whether it is a private project (Private Return) and if it is a social project (Socially Profitable), i.e. that it has been proved that private or social benefits are greater than the costs of carrying out the project.
- **Sustainable:** because it has sufficient resources to cover its operation and maintenance.
- **Compatible with institutional policies and the Provincial Curia,** in addition to national and/or sectoral policies, given that the proposed solution has been framed in the respective policies.

STEP 5: Award of the Provincial Endorsement Letter

In case the Provincial Project Office approves and declares the viability of the project, it must send it along with its respective report to the Project Committee for their evaluation and, in case it is considered necessary, should recommend the issuance of the respective endorsement letter to the Provincial Superior.

Consequently, the Provincial endorsement letter is a “political” expression of support for the initiative expressed in the document named project, based on the assumptions and considerations which enables it to be declared “viable”.

It should be noted that, this being an exclusive attribution of the Provincial Superior, it may deny its support, request more information or provide the respective endorsement.

Only in the case if the Pre-Investment study requires higher level of depth in the analysis (from the concept note to profile; from profile to prefeasibility and from prefeasibility to feasibility), the Formulation Unit should have a maximum period of two years to do so, according to the project cycle. If after two years, there is not next stage, the respective study will need to be assessed. In case it is required, by the nature of the project, a different term, it must support it and request it to the respective Project Committee.

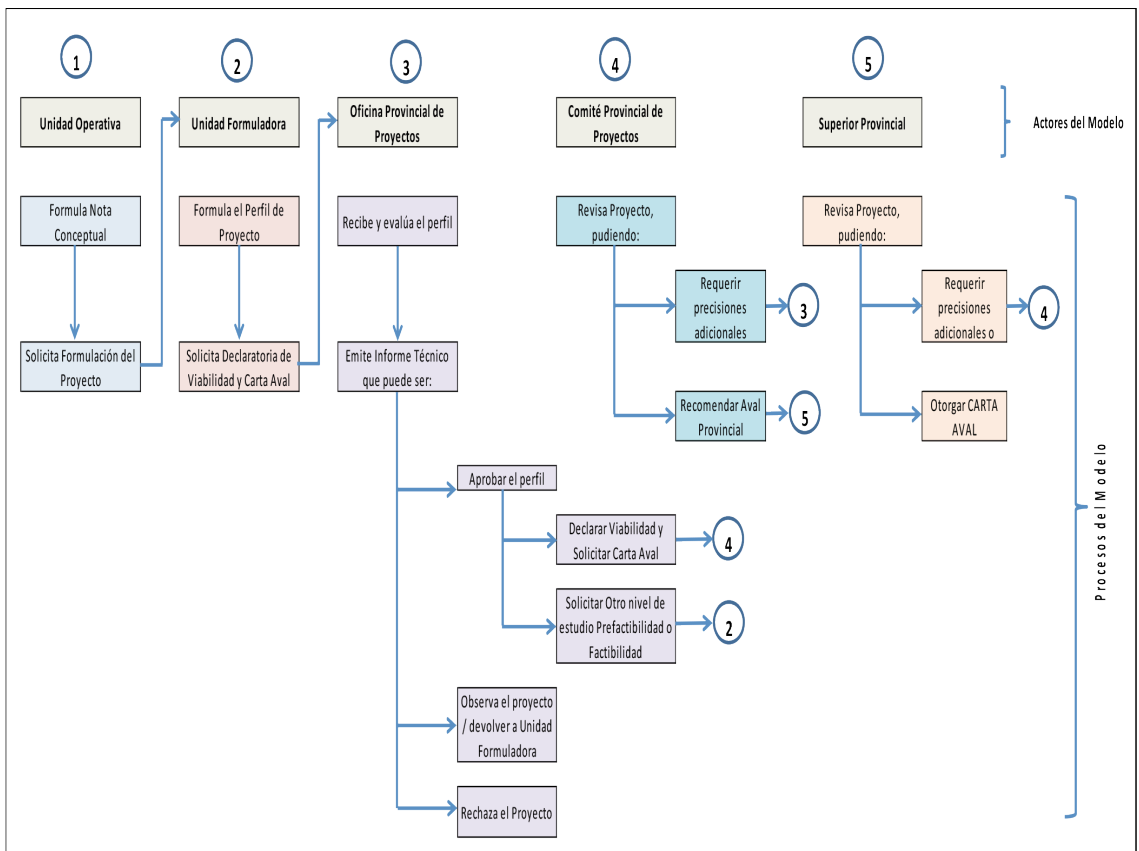
What does the fact that a Project has Provincial Endorsement mean?

The Provincial Endorsement implies that the Centre, in its respective instances, can begin the management of fundraising on their own or through the Provincial Project Office or another relevant instance. In addition, the Provincial endorsement also assumes that the project can run off and obliges the Executive Unit to adhere to parameters according to which the feasibility has been awarded to develop the definitive studies and to implement the project.

In short, with the Provincial Endorsement, the Centre is entitled to program funds for management or its subsequent implementation, depending on the project funds.

It should be taken into account that both the Declaration of Viability and the granting of the Provincial Endorsement does not imply that resources are allocated for the implementation of the project.

The Pre-Investment phase steps can be seen in the following diagram:



II. PROJECT MANAGEMENT

Unidad Operativa	<i>Operational Unit</i>
Formula Nota Conceptual	<i>Elaborates the Concept Note</i>
Solicita Formulación del Proyecto	<i>Applies for Project Formulation</i>
Unidad Formuladora	<i>Formulation Unit</i>
Formula el Perfil del Proyecto –	<i>Formulates the Project Profile</i>
Solicita Declaración de Viabilidad y Carta Aval	<i>Applies for Declaration of Viability and Endorsment Letter</i>
Oficina Provincial de Proyectos	<i>Provincial Project Office</i>
Emite Informe Técnico que puede ser	<i>Issues Technical Report which could be</i>
Aprobar el Perfil	<i>Approves the Profile</i>
Declarar Viabilidad y Solicitar Carta Aval	<i>Declares Viability and Applies for Endorsment Letter</i>
Solicitar otro nivel de Estudio Prefactibilidad o Factibilidad	<i>Applies for Another Level of Study Prefeasibility and Feasibility</i>
Observa el Proyecto / Devolver a la Unidad Formuladora	<i>Observes the Project / Return to the Formulation Unit</i>
Rechaza en Proyecto	<i>Rejects the Project</i>
Comité Provincial de Proyectos	<i>Provincial Project Committee</i>
Revisa Proyecto, pudiendo	<i>Revises the Project, being able to</i>
Requerir precisiones adicionales	<i>Requieres Additional Details</i>
Recomendar Aval Provincial	<i>Recommends Provincial Endorsment</i>
Superior Provincial	<i>Provincial High Court</i>
Otorgar carta aval	<i>Award Endorsment Letter</i>
Actores del Modelo	<i>Model Agents</i>
Procesos del Modelo	<i>Model Processes</i>

2.3. Investment Phase

In this stage, the investment and physical implementation of the project defined in the Pre-investment stage are carried out. This stage consists of two phases: the final design of the project or programming of activities and the implementation of the project or action.

The design phase corresponds to the final preparation of the project design based on the necessary adjustments to the budget in the feasibility stage. The execution consists of the development of the physical work or works, as well as the implementation of programmed activities and their follow-up during the lifetime of the project.

In these phases, it is to be expected to do what has been predicted at the pre-investment stage once the adjustments to carry out the project in the circumstances existing at the time to be implemented are made.



2.4. Post-Investment Phase

At this stage, the last in the cycle of the project, it is necessary to contemplate two types of assessments: those made during this process and the one at the end of the project.

Specific indicators that measure the performance of each endpoint must be used to determine the degree of success of this stage.

If the evaluation ex post facto such as "what is carried out on the project after completed installation and after a reasonable time have advanced in its operational phase, in order to analyze their performance characteristics and to check its impact, both on the problem that must be resolved, as about his environment", then this evaluation can be performed at any time during the operation and whenever deemed necessary when all the environment and beneficiaries impacts are present.

As in the case of investment, this process allows feedbacks and corrections, which make it possible for the operation to adjust gradually to the disadvantages that appear throughout their development.

Ex post facto evaluation methodologies allow awareness of the impact and results of the project, schedule and thus generate conclusions and corrections for new projects. Also, it issues judgments about the efficiency and effectiveness of the results and their consequences.

Therefore, the generation of the criteria to designate a project as successful in its operation refers to the results of its evaluation ex post facto, applying not only quantitative but also qualitative criteria. The criteria must be consistent with the objectives of the system that makes the evaluation, the nature of the activity and the factors that were decisive in the obtaining of the results.

3. Project participants

3.1. Decision-making Body: Provincial Curia

- Establishes the policy guidelines applicable to all Centers or works of the Hospitaller Order.
- Grants Provincial Endorsement for Projects and obtains the permission of the General Curia when it is required.
- Authorizes the execution of viable projects.

3.2. Provincial Projects Office

- Provides technical and regulatory direction for the operation of the System.
- Provides guidance on the formulation of Investment Master Plans (IMPs) or Master Plans.
- Evaluates and issues a Technical Opinion on the pre-investment studies of the various Centers
- Proposes methodology and parameters
- Trains the units that will carry out the formulation.
- Monitors the projects

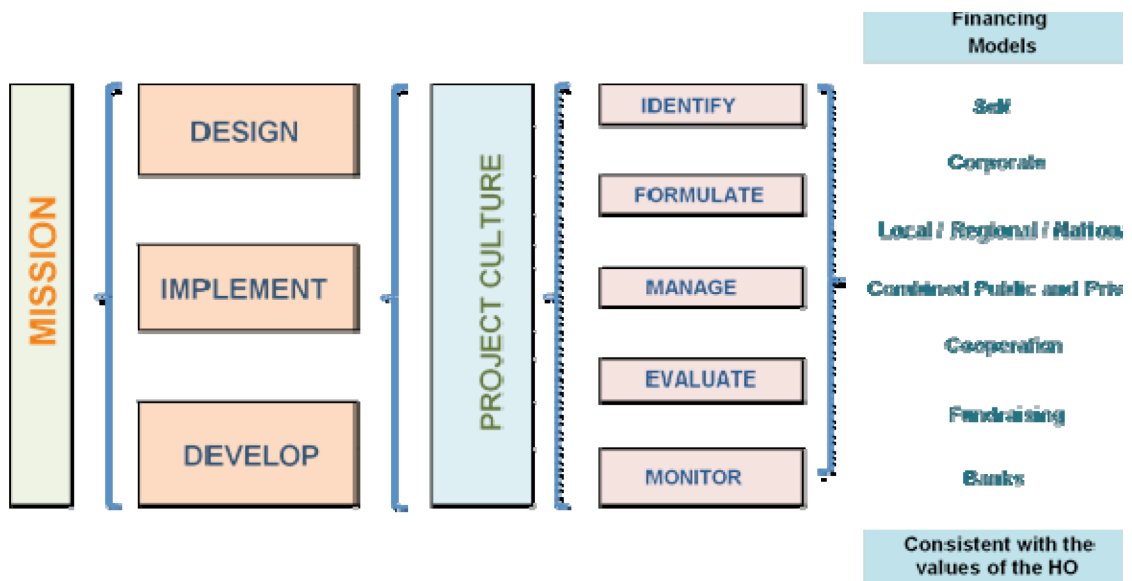
The Mission of the Provincial Projects Office can be presented schematically as Designing, Implementing and Developing a Project Culture that allows for identification, formulation, management, evaluation and proper monitoring; to that end, it also proposes a series of financing methods that depend on the type and/or nature of the project, and are always consistent with the values of the Hospitaller Order.

3.3. Formulating Units (All OH Centers or works in the Province)

- Identify problems and opportunities
- Prepare pre-investment studies in accordance with their needs and guidelines and with what has already been established in their PEs [translator's note: "PE" is not defined in this section] and IMPs
- Update their Projects Database
- In the Centers, the formulating units will be those units or committees that are responsible for formulating projects.

3.4. Executing Units

- Create technical reports and execute approved projects
- Ensure fulfillment of the approved pre-investment parameters (cost, schedule, goals)
- Perform monitoring and inspection on a constant basis
- Produce necessary information for the financial backers as may be required.
- Produce the evaluation reports provided for in the project document itself



III. PROJECT PROFILE

Minimum content for a project profile

All projects begin as an idea that is cultivated in a preliminary study called the Pre-Investment Profile, a required supporting document for any planned new investment, regardless of the source of its funds.

With the Pre-Investment Profile, we begin the first phase of pre-investment.

The Profile's principal aim is to properly identify the problem and the causes behind it, and in so doing to set out the goals of the project, properly identify alternative solutions to the problem, and make a preliminary evaluation of said alternatives.

The formulation of a Project Profile need not require much time and resources; it involves defining and evaluating, on a preliminary basis, the possibility of carrying out a set of actions directed towards resolving a problem that has been properly identified. This document must contain preliminary estimates of the costs and benefits, including their ranges of variation.

The document is based primarily on secondary and tertiary sources of information. Nevertheless, under certain circumstances and when it is deemed advisable, it is possible that complementary studies or primary sources of information be requested.

At a minimum, the content of any Pre-Investment Profile must include:

- Main Features
- Identification
- Formulation And Evaluation
- Conclusions
- Annexes

1. Main features

A project needs to identify features relating not only to its name, but also to the responsibilities that will be assumed by the actors involved--those who are beneficiaries as well as those who are not--and the frame of reference according to which it will be developed.

The intention of this subsection of the manual is to give a clear idea of:

- How to correctly name a project
- How to identify the entity responsible for formulating the project
- How to identify the entity responsible for executing the project
- The importance of creating incentives for participation for those involved in the project

1.1. The project's name

The name given to a project must include at least the following information:

- The nature of the program, in connection with the project's principal operations (for example, recovery, expansion, improvement, etc.).
- The type of good or service that will be offered during the project's operation.
- The name and geographic location of the place of involvement, in accordance with the project's zone of influence, with the region, province, district and benefitted population Centers indicated.

1.2. The entities formulating and executing the Project

- **FORMULATING UNIT:** The unit in charge of preparing the profile
- **EXECUTING UNIT:** The unit proposed for the execution of the project

In both cases, the name of the co-worker responsible for the formulation as well as for the execution of the project must be indicated.

With respect to the different works of the Hospitaller Order of St. John of God in the Provinces, the entities responsible for formulating and executing the project are the various Centers or works.



1.3. Participation of involved entities

Persons and/or institutions involved in the project and the type of organization it is.

This can refer to:

- Health facility
- Local government
- Community organizations, etc.

In addition, the following has to be specified for each one of them:

- Its interest
- Strategies to resolve conflicts of interest
- Agreements and commitments reached (or to be reached)

1.4. Frame of Reference

The Frame of Reference must include:

- Frame of Reference
- Brief summary of the project's background
- Brief description of the project and how it fits into health sector guidelines, the institution's guidelines, its strategic plans, master plans, agreements, etc.

Note: For a project's Minimum Total Content, see Annex 3

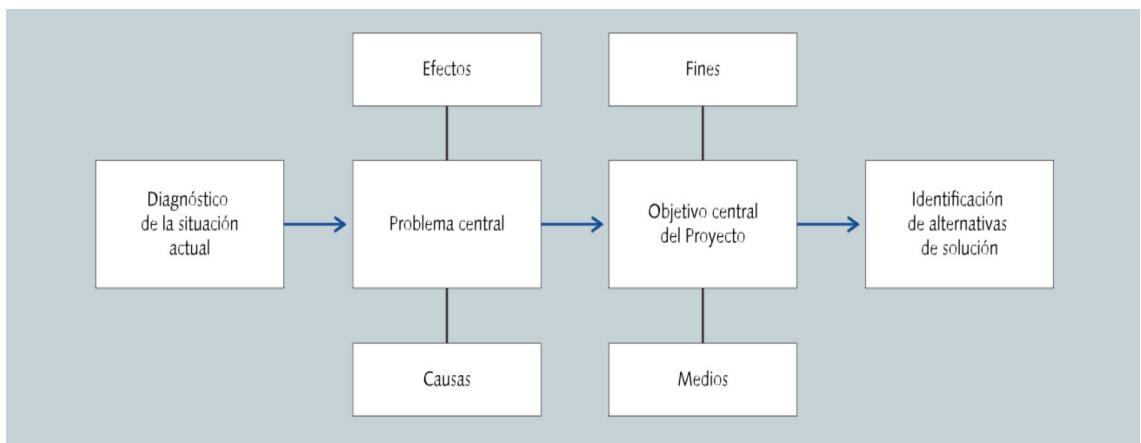
2. Identifying Projects – Problem Tree/Solution Tree

At this time, we attempt to explain how important and useful it is to clearly define what the problem is that the project's implementation will try to solve. In addition, we will show, in a comprehensible manner, how to determine which alternative solutions to the Problem are the best.

Specifically, our intent is that there be a clear idea of how to:

- Properly define the Problem to be solved.
- Identify the Causes and Effects that created the main problem.
- Set out what is hoped to be achieved by carrying out the Project.
- Set out the means that will allow the Project's main goal to be accomplished.
- Set out several alternatives that would allow the identified Problem to be resolved. Each
- Alternative Solution is to be focused on achieving the stated main goal.

The methodological route that we will follow in this manual follows the sequence set out in the following graphic.



2.1. Diagnostic of the existing situation

The diagnostic is the study that brings together the information necessary to correctly identify the project's main problem.

What are we looking for in a diagnostic?

The diagnostic is the study that brings together the information necessary to correctly identify the project's main problem. It is a "photograph" of the place at the time of the project's design and takes into account the framework and context in which it is carried out.

How can we prepare a Diagnostic?

The following elements must be clearly established in the Diagnostic:

a) Background of the situation that motivated the Project

Because of the importance to society of the resolution of the situation in question, we must know the situation's characteristics, as well the reasons behind the Project's development.

b) Area and population affected

We must know the area and population in which the situation in question is present. In addition, in order to define the size of the Project, we must have a clear idea beforehand of how many inhabitants or families are affected by the situation.

c) Seriousness of the situation in question

It is important to know how long this negative situation has been present and how serious it is.

d) Previous attempts at solution

Finding out whether any Alternative Solutions have been previously proposed, as well as the causes of their success or failure, allows us to better understand the Project that we are attempting to formulate.

e) Interests of groups involved

It is necessary to be able to identify from the beginning the societal groups that are involved in the Project, as well as each of their interests.

At the Profile level, the Diagnostic will be prepared using available information. Generally, the information available is secondary information obtained from books, previous projects, and working documents, among others.

2.2. Definition of the Problem

Once the Diagnostic has been carried out, it will be easy to be able to determine which Problems are affecting the inhabitants of the area studied. In order to formulate the Project, the DIAGNOSTIC-PROBLEM- PROJECT relationship must be defined.

The main problem is a negative situation that affects a sector of the population. In defining it, it must be kept in mind that the Problem should be CONCRETE; that is to say, the Problem must be defined objectively, in such a way that a set of solutions or alternatives can be found to alleviate it.

The Problem should not be expressed as the absence of a solution, as in that case only one solution--which will seem to be the only one--will be found.

In order to define problems, we will use a tool called a problem tree. This instrument will allow us to delineate and analyze the main problem afflicting an entity, with the intention of defining precise areas of action to solve the problem.

The structure of the "problem tree" is as follows:

- a) The principal difficulty is defined in the central part of the tree or the "trunk."
- b) Below (in the "roots"), the causes and sub-causes that give rise to the problem are identified.
- c) In the upper part of the tree (the "branches"), the effects or consequences of the problem are indicated.

Finally, keep in mind that there can be as much branching as necessary.

2.3. Analysis of Causes

Once the problem has been defined, it is important to ask yourself:

- Why does this Problem occur?
- What are the Causes of the Problem?

This questioning process is important because if we know the real causes that bring about the Problem, we can propose actions that will allow us to tackle those Causes and thereby be able to resolve the Problem.

How can the Causes of the Problem be found?

To be able to find the Causes of the Problem, the best thing to do is to make a list, as extensive as possible, of everything that we suspect could be causing the problem that we have identified. This process is usually called "*brainstorming*".



Once we have our list, we only need to keep the causes that really have a connection to or explain our Problem. After this process, we will have a short list of the causes of the Problem, which we should classify in two categories:

DIRECT CAUSES: These are causes that relate directly to the Central Problem.

INDIRECT CAUSES: These are causes that do not act directly on the Central Problem, but do so through another Cause.

Once the Causes have been classified as Direct or Indirect, we must put together the CAUSES TREE.

What is the Causes Tree?

The Causes Tree is a tool that allows us to arrange the Causes of the Problem in a schematized and hierarchical way, which allows us to assess the Problem within the context of the causes that bring it about. Based on this Tree, it will be easier to propose activities that will lead to the resolution of the Main Problem, through the Solution of its Causes.

2.4. Analysis of Effects

- What are the effects of the problem?
- What will happen in the medium term if the problem is not solved?
- How can the Effects of the Problem be determined?

In order to determine the effects of the problem, we recommend following the same procedure used for the causes, that is to say, brainstorming and putting together an Effects Tree. In addition, as with the causes, Direct Effects must be separated from Indirect ones.

2.5. Prepare a Problem Tree

The PROBLEM TREE is also known as the CAUSES-EFFECTS TREE. It is based on the merged Causes and Effects Trees.

2.6. Project Goal

At this point, we already have a clear idea of what the Problem is and with its Causes and Effects are. As a result, we will now have to define the (desired) situation that we hope to achieve with the Project's Execution.

Keeping the *problem tree* in mind, the first thing that we must do is to establish the Project's *Main Goal*.

What is the Project's Main Goal?

The Main Goal is what the Project intends to achieve once it has been fully executed. This Goal will always be connected to the Solution of the Main Problem. Thus, the easiest way to define the Project's Main Goal is by identifying the desired situation, that is to say, the SOLVED PROBLEM.



2.7. Analysis of Project Measures

Once we have stated our Main Goal, the next step consists of reflecting:

How can the Main Goal be achieved?

In order to determine the goals, we will use the tool called a goals tree. The Goals Tree turns the problem tree--which is "negative"--into "positive." This means that the content found in the problem tree will turn into its opposite.

The goals tree allows us to clearly and specifically delineate our project's zone of action.

The structure is the same as the problems tree's. What will vary is the meaning, since the problem now turns into our project's general goal, the causes become specific goals or measures, and the effects change into the result.

The "branches" of the "tree" are the results derived from the main goal. These are grouped and put into a hierarchy of direct results, indirect results and, as the case may be, an ultimate result.

Similarly, the measures or "roots" are identified, grouped and put into a hierarchy of three (3) first-level measures and, possibly, separated into first-level measures.

Consequently, we acknowledge that there is no single way to put together and present the "goals tree or measures-results tree;" nevertheless, the following methodological approach is suggested:

- Define the main goal
- Determine the measures or tools to achieve the main goal, and prepare the measures tree.
- Determine the positive consequences that will be produced when the main goal is reached, and prepare the results tree.
- Present the goals tree or the measures-results tree.
- Link the first-level measures to the direct results.
- Alternative solutions

2.8. Alternative Solutions

By this point, we have accomplished: Identification of the Problem and the Causes that produce it. In

addition, we have already stated the Main Goal that we want to reach and the Measures to achieve it.

Along these lines, the first thing we will do is to look at the defined Basic Measures, and for each of them ask ourselves: [Translator's note: The text indicates there should be a question here, but there isn't one.]

The answer to this question will be a series of ACTIONS that should be carried out in order to implement the Basic Measures. It is important to point out that when Actions are proposed, it is necessary to consider whether they can be carried out.

How can we propose Alternative Solutions?

Based on the actions defined, we can propose a number of ALTERNATIVE SOLUTIONS to the Problem. That is to say, ALTERNATIVE SOLUTIONS are the different groupings that we can make of the proposed Actions that would lead to a solution to the Problem. In this sense, it is the combinations of Actions that determine the various Alternative Solutions.

4. Project formulation

The term project formulation refers to the methodological act of developing a proposal in the context of institutional planning; as such, a project is the systematized means of setting out a response to a problem identified per se. Consequently, it is in the project document that a proposal to solve a problem previously identified and prioritized is set out; its purpose is to serve as a decision-making tool with respect to investments and/or cooperation.

4.1. Evaluation Horizon

This is the name given to the time period set for assessing the benefits and costs attributable to a given Project. This horizon is defined taking into account the sum of the *Pre-Investment*, *Investment* and *Post-Investment phases*.

Usually, the time period for evaluating an equipment project is estimated to be 5 years, while an infrastructure project, depending on its complexity, can be 10 to 20 years.

Normally, the evaluation horizon for social action projects can be equal to their useful life, which is the number of years during benefits associated with the executed project will exist.

4.2. Analysis of Supply and Demand / Determining the Target Population

Performing an analysis and projection of the Supply and Demand for the goods and services that the Project plans to develop is advisable; once these values are known, the Deficit in the Demand for goods and services that our Project can offer, can be defined in accordance with the resources and skills available. Knowing this deficit, we can scale our Alternative Solutions in order to be able to do next a cost analysis of them.

In general, the logical path below is to be followed.

It must be taken into account that some projects, due to their nature and their design, are oriented towards satisfying certain needs that are not necessarily expressed as demand (no price variable exists) and therefore require a different formulation.

For those social action or Charismatic projects that require the development of series of “social” activities, such as workshops, talks, conferences, meetings, etc., it is advisable to address this point directly, from the perspective of the Logic Framework, in which the planned activities are set out sequentially, logically and coherently in order to achieve set objectives.

We will define some preliminary concepts:

Population of reference: This is the total population of the geographic area or areas where the project will be carried out.

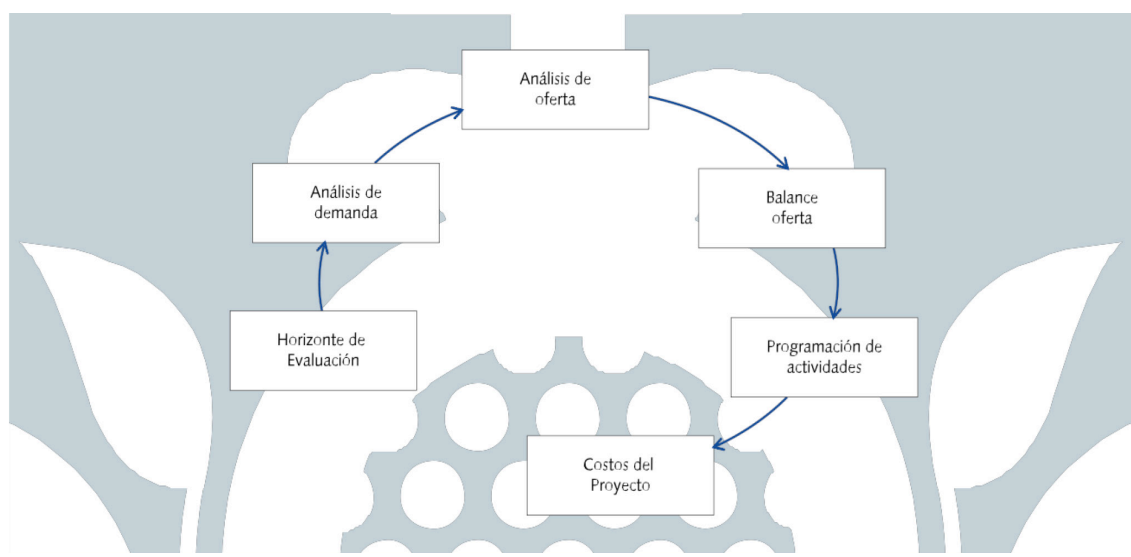
Affected population or demand: This is the population that will require the services offered by the project and forms a part of the population of reference.

Population already served by other entities: This is the population whose need is already being taken care of or that is served by another private or public institution.

Population with unmet need: This is the population that will effectively need the services offered by the project; it is estimated by subtracting the population already served by other entities (supply) from the population requiring the service, that is, the affected population (demand).

Target population: This is the population that is indeed intended to be served through the project. Ideally, the target population should be the population with unmet need. Because of budget adjustments, the target population might be different and smaller than the population with unmet need.

The only estimates we are interested in making are those that correspond to the population of reference and the population with unmet need. We will only make estimates of supply and demand if they are necessary in order to obtain information about the population.



We will also segment the population and define social groups according to sex, socio-economic status, and other variables.

Nevertheless, whenever possible, the path laid out in the preceding diagram is recommended in order to identify better the activities involved in the proposed alternatives and their costs.

Analysis of Demand

Demand is understood to be the quantity of goods and services that the market requires or requests in order to satisfy a specific need at a given price.

The primary goal of an analysis of demand is to measure the forces that affect the market's requirements for a good or service and the role it can play in the satisfaction of the demand.

An analysis of demand consists of identification and projection through the evaluation horizon. This exercise consists of calculating the quantity demanded of the service or good that is planned to be offered or produced, respectively, based on the population of consumers.

We look for answers to the following questions:

- Who determines demand?
- What factors influence the determination of demand?
- How does demand behave over time?

Demand functions through distinct factors:

- The real need for the good
- Its price
- The income level of the population

For a correct analysis of demand, we will have to research information coming from primary and secondary sources, such as economic and social indicators.

Analysis of Supply

An analysis of supply identifies and projects current capacity to produce or offer goods or services, respectively.

In economic theory, supply is defined as the quantity of a good or service that enters the market at a given price in a certain period of time. In this concept, the time and price terms are necessary since the greater the offered price is, the greater the quantity of that product brought to market will be, and the longer the period of time is, the greater the number of suppliers will be who can adjust their production to take advantage of the change in prices. As such, the supply that arrives at market will normally increase with rising prices and decrease with falling prices.

Producers will be able to adjust their production flow based on price behavior if their goods have short production cycles, but they will have difficulty if new investments are involved or if their production cycles are long-term. Nevertheless, the behavior of the prices in the market is an indicator that plays a role in deciding whether or not to produce a good or service.

Factors:

- Component Prices (Production Costs)
- Technological development
- Climatic variations
- Prices of Related or Substitute Goods
- I must know my competition in order to find out if I am better than, equal to, or worse than them.
- Identify my competition
- The competition's characteristics
- Strengths and weaknesses
- Number of Clients, location, type of technology, suppliers

Supply - Demand Equilibrium

The market interaction of the supply and demand for a good or service allows us to determine with some degree of approximation whether the demand is satisfied or unmet. In this sense, demand is said to be unmet if a comparison of demand and supply reveals that the first (demand) is greater than the second (supply), or satisfied or surplus if the opposite occurs.

In the face of unsatisfied or unmet demand, decisions to undertake actions tending to increase production volumes of goods and services can be made with the certainty that the additional volumes of product or service will neither affect current market conditions nor, consequently, the behavior of prices.

On this point, it is necessary:

- To identify the unserved real demand
- To determine overall and partial targets
- To decide on a production plan for the services
- Requirements for offering the project's services

3.3. Organizing the Stages and Operations of Each Alternative

In order to begin the project, a series of prerequisite conditions must be fulfilled. There may be external conditions, which do not depend on the project itself, and internal conditions, which generally are stages of the alternative itself.

Additionally, it is important to note that one of the internal conditions that any institution must satisfy before beginning a project is its physical and operational capacity to implement that project.

Based on the preceding, a sequence for each alternative can be put together.

For each alternative, we must put together the set of operations that need to be implemented: In order to do this, we can ask ourselves:

- What operations are required in order to accomplish each of these alternatives?
- Is there a preferable order for these operations?
- Which of them must be carried out sequentially and which are independent with respect to the others?

We must connect and order previously proposed alternatives to suit the target population, asking ourselves:

- Are there pre-existing conditions related to the population's characteristics?
- Are there pre-existing conditions that might require the exclusion of a portion of the target population, as it will not be possible to serve it?

3.4. Create a Timetable for Each Alternative

Define when activities will begin and end, in accordance with deadlines, if applicable In order to prepare a timetable for each alternative, we need to know beforehand:

- If one of the operations has a deadline (due to climatic factors, financing, etc.)
- An estimate of the operations' duration.

With this information, it will be possible to prepare a timetable for each alternative.

Model of Operations Timetable

In order to indicate the duration of each operation, the boxes corresponding to the months when the operation will be in progress should be colored in or checked

Firs year of execution							
Operatios / Month	Mo. 1	Mo. 2	Mo. 3	-----		Mo. 11	Mo. 12
In this column, list all operations using a reference number to indicate the goal each is related to							
Operations for Goal 1							
1.1.							
1.2.							

Operations for Goal 2							
2.1.							
2.2.							

3.5. Preparing a budget for each alternative

Prepare a list of requirements by operation for each alternative; with this we can create a complementary list of the necessary requirements, taking into account the description of the requirement and when the payment should be made. The following must be defined:

- The number of units necessary.
- The number of periods during which the units will be needed (when applicable), as in the case of periodic payments such as salaries and wages.

Then, per unit and per period costs must be specified, before and after taxes, for each requirement; this is one of the important stages of formulation.

The taxes considered are those corresponding to each country that taxes all the purchases of goods and services.

In addition to the specific requirements, administrative and incidental expenses must be taken into account for each alternative. Normally, it is acceptable to set administrative expenses as a percentage, from 8 to 12% of the budget created, and incidental expenses at 3 to 5%.

With the preceding information, a budget for each alternative can be prepared.

3.6. Evaluation

Now that we have formulated all our Alternatives, we could ask ourselves, why not go ahead and carry out the cheapest? The answer lies in it being not only cost that must be considered when choosing an alternative; an analysis of each Alternative's benefits must be made.

The purpose of this Module is to offer tools for evaluating Alternative Solutions and choosing the best Alternative from the point of view of social benefit. That is:

- Identifying and valuing the benefits
- Assessing the social profitability of each Alternative Solution
- Deciding on the best Alternative Solution based on the profitability indicators of each one
- Assessing the sustainability of the Alternative Solution chosen
- Identifying the negative environmental impacts of implementing the Project, and estimating the costs of mitigating them

In summary, we must define the Social Evaluation as a process of identifying, measuring and valuing a project's costs and benefits from the perspective of Social Welfare.

In which cases must a social evaluation of a project be done?

When the parties promoting a project seek to produce social benefits, rather than private profit.

The difference between the Private and Social Evaluation of Projects is, among other things, that in the first, costs and benefits accrue to the owner and well-being is maximized in private form; in the second, costs and benefits accrue to society or to the group involved and Collective well-being is maximized.

The Social Evaluation of Projects determines whether a project's execution is advisable from the perspective of society as a whole, and its application is not limited to social or public sector projects; any project, even one executed by a private party, can be evaluated with a social approach.

In order to identify the costs and benefits in the evaluation of projects, as well as the setting in which they are to be located, what happens with a project must be compared to what would have happened without it; this simple exercise will define its costs and benefits.

While the private evaluation of projects includes an economic and financial evaluation, the social evaluation refers to a socio-economic analysis in which the flow of real resources and services used and produced by the project can be assessed as relevant social costs and benefits.

4. Purchasing goods, service and public works In the framework of project.

4.1. General Considerations

The goal of this Chapter is to establish a set of principles regarding the processes for purchasing goods and services and for contracting public works.

In general, purchasing procedures must include rules that ensure equal treatment of bidders and lead to the reduction or elimination of discretion or intentional abuse, both on the part of those responsible for managing the processes and of the bidders that participate in them.

The Center is responsible for the proper management of the processes for the purchase of goods, services and public works carried out within the framework of a project. Internationally accepted principles, which assure transparent processes, provide impartiality, and seek the greatest profitability for the projects, are to be observed. Rules and procedures that conform to regulations established by international financial institutions--when these finance the purchases or contracting undertaken in the context of a project at the national level--will be used. Its operations will also conform to the laws in effect in the country where the project is implemented.

For the time period established by law, the Center is to keep the documentation that guarantees that the processes listed in this Chapter have been completed, whether it is for the Audit of the project or for any information request.

4.2. Principles of Purchasing and Contracting

Definition: The purchase of goods, services and/or public works is a process that spans identifying the needs, selecting the mode of purchase, preparing and agreeing on the contract, and all the phases of administering the contract, until the end of the contractual services or of the useful life of the good (asset).

The purchase of goods and services is one of the activities that has the greatest impact on the proper execution of a project. Achieving the project's results and its opportune conclusion will depend, in good measure, on the purchasing strategy.

Planning Purchases: the Center must prepare and maintain up-to-date periodic plans for the project's purchases, which will complement the project's work plan. To prepare this plan, at least the following factors must be taken into account:

- Method for making purchases.
- Existence of a list of potential sources for purchases.
- Definite availability of funds and authorization to use them.
- Preparation and delivery of suitable descriptions of the purchases.
- Time periods for delivery.
- Criteria for evaluation.
- Adequate justification if non-competitive purchases are made. (An indication of urgency is not acceptable when it is the result of a lack of proper prior planning.)

Principles that must be observed in the purchasing processes for goods, services or public works:

- **Best value for the money:** This means selection based on a combination of technical, organizational and price factors, in accordance with the importance of each, and therefore does not mean choosing the lowest price proposed or offered. A better method for determining value involves a comprehensive evaluation of technical, organizational and price factors and, in light of their respective importance (reliability, quality, experience, previous yield and real market costs, among others) and does not simply interpret it as the option that offers the lowest initial price.
- **Impartiality, integrity and transparency:** As competition is the basis for efficiency, impartiality and transparency in purchasing, the Center is responsible for assuring the integrity of the purchasing process and maintaining the impartiality of all offerers. The applicable rules and regulations must be clear and unambiguous.
- **Real competition:** The goal here is to provide all eligible bidders with the Center's requirements on time, with sufficient notice, and with equal opportunity for all of them.
- **Ethics in purchasing:** During the purchasing process and the process of executing a purchase order or contract, the bidders, as well as the civil servants or involved persons participating in the processes, must observe the highest ethical standards. In this respect, the Order's policies in these matters must be taken into account.
- **Environmental considerations:** The Center must carry out its activities in an environmentally responsible manner and as an institutional choice committing us to the preservation and improvement of the community's quality of life, which means that the goods and/or services selected minimize environmental impact. To determine how environmentally friendly goods and/or services are, we can apply indicators from the local level that show the official environmental rating with which the product was approved.

4.3. Purchasing Methods

In addition to economy and efficiency, transparency and responsibility are required in the use of funds; this affects the choice of purchasing method, the documentation and the procedures to be used. The methods for requesting and evaluating offers must comply with each Province's guidelines.

Logistical considerations that must be taken into account in the execution of programs or projects:

- Defining the goods or services to be contracted:
- For public works, a technical report (or whatever other name is given to a description of the features and technical specifications of the work to be undertaken) must be prepared.
- In the case of a product, conformity with the national / international regulations applicable to it
- In the case of a service, the terms of reference must be formulated and the results of the expected deliverables must be specified.
- In the case of equipment, a statement detailing the technical specifications of the item to be purchased is required.
- If decisions are made by a purchasing committee, it is suggested that the project director or coordinator be present.
- Infrastructure: The person who formulates or develops the technical report or final studies should not be the same as the person responsible for construction, but can be a good supervisor.
- Look for guarantee mechanisms that will safeguard the interests of the Provinces or of the Centers both in the payment of construction contracts awarded and in their completion.
- In the case of Public Works, a Final Audit¹ [translator's note: the Liquidación de Obra seems to be the official, government procedure for bringing public works projects to a close in some Spanish-speaking countries. I do not know what the equivalent in English-speaking countries is called, or even if there is a uniform term for it.

¹ This is an official act that, through an organized, detailed report, reveals the final cost of the executed construction project and describes the technical features with which the work was carried out, and so brings the investment phase relating to the execution stage of the work to a close.

It serves to:

- Determine the final cost of the work.
- Describe the technical features with which the work was executed and its asset registration and inspection.
- Complete the investment phase related to the execution of the work.

- “Final Audit” is a term I came up with that I thought gave a sense of what the procedure entails.] must be carried out for the construction project in order to obtain an organized, detailed report with the aim of revealing the final cost and final technical features, and so bringing the investment stage to a close.

4.4. Inventory Management

The inventory of all equipment purchased in the context of the relevant project must be maintained in order and organized. It will also be responsible for assuring that purchased equipment and supplies are used strictly for the purposes of the project and that the equipment is maintained in good working order, as well as for obtaining the respective insurance policies.

4.5. Audits

An audit of the purchasing process for goods, services and public works is an objective, systematic and independent examination of all evidence that would allow an opinion to be expressed on the performance and results of all or a part of the purchasing process.

The audit includes:

- An audit of phases or stages concluded. It consists of evaluating the achievement of the planned results and/or the fulfillment of applicable legal provisions relating to the subject of the purchase. The efficiency and/or economy with which the results of the phase or stage being examined were achieved will be evaluated.
- Verification of the fulfillment of contractual obligations
- Audit of phases or stages not concluded. This consists of evaluating whether the procedures designed and those actually implemented and/or to be implemented assure the achievement of the goals, and compliance with applicable legislation and regulations.

IV. ALMS, FUNDRAISING, EXTERNAL FINANCING

1. Obtaining financial resources for helping the needy and project management

1.1. Alms – Fundraising

The Order of St. John of God is a mendicant Order¹ whose own spirituality is woven with the attitudes and practices of St. John of God and his first companions. We can therefore say that we are his heirs and can claim a tradition that dates back more than five hundred years, to when the Brothers as well as Partners (Angulo²) went out in search of alms.

This search for the means to ease the suffering of the sick and needy is based on values that are inherent to us as an Institution and upon ETHICS and TRANSPARENCY. The biographer Castro himself makes reference to how John of God imposed limits on himself with respect to his benefactors. “seeing the great need that there was in the city and so as not to bother or burden the citizens of Granada, always asking them day and night, so as to let them rest, some days I would go to some gentlemen of Andalusia to ask for alms.”³

This work of raising funds has perhaps on occasion been misjudged by those who, not knowing the history, associate charity, “alms,” with something belonging to another era or with “paternalistic” states, in contrast to the “justice” of the modern democratic state based on law.

An event from St. John of God’s life related during the process of his beatification accords him a reputation for doing it well and for properly employing what he received: “wanting to give alms: it seemed to him that the blessed John of God was he who was then most renowned for charity and who best distributed the alms, as the most serious people of this city gave to him wholesale, in order that he, as such a good dispenser and distributor, would give and distribute it.”

1 Mendicant order, (from the Latin *mendicare*, to ask for alms, is a type of Catholic religious Order characterized by living off of the alms of others.

2 Cf. Biography by Francisco de Castro. Chapter XIII. Joan de Avila, llamado Angulo, Colaborador y amigo de San Juan de Dios (John of Avila, Known as Angulo, Co-worker and Friend of St. John of God)/ SJG 1st Letter to the Duchess of Sesá

3 Witness 104. Ms. Gracia Espinosa in reference to Mr. Fernando Nuñez. Presbyter.



1.1.1 Definition

Alms are “something given charitably,” “a gift given freely;” in the different religious traditions, giving alms equals doing justice. The word alms translated from the Hebrew (sedaqot) means “justice;” as such, it could be said that giving alms is “doing justice in the name of God to those to whom it is not done by men.”

In order for our reasoning and action not to remain incomplete, we accept that alms “stand in for justice, but without renouncing it;” as such, the action must carry a pledge of solidarity with the person in order to not delay the arrival of justice.

1.1.2. Fundraising action plan

Many of the fundraising activities and techniques have been adapted from the business world. This is valuable, but does not exempt the techniques from being applied in an ethical manner. The principles of transparency and ethical integrity are especially applicable when we work with something that is entrusted to us for delivery to others.

It is important that all who carry out this task, both in the more routine activities and in management, whether paid staff or volunteers, are completely convinced of the value, integrity and benefits of the mission, the organization, and the activities for which the raised funds are used. This assumes everyone’s participation, to the extent possible, in designing strategies, goals, campaigns, etc.

1.1.3. Uses

The resources obtained through campaigns or collection efforts are for the exclusive use of the programs and projects for which they were solicited, whether they be social action projects, infrastructure projects or whatever other initiatives that may require funds.

It should be understood that projects that are not viable through other forms of financing (bank financing) must be financed through fundraising and that the institution considers them to be essential for the fulfillment of its mission.

In following the recommendations of the 2012 General Chapter: It is important to look for alternatives to professionalize and bring together the personnel required to carry out this task.

Fundamental principles for the use of these personnel are:

- Responsibility
- Transparency
- Feedback
- Donor involvement
- Involvement of the board
- Teamwork, both horizontal and interdisciplinary

1.1.4. Guidelines for the use of resources

- Ensure that goals are proposed to benefactors in a responsible manner and that there is clarity about the work.
- Ensure that the money will be invested in what was proposed when the fundraising began.
- Provide constant updates to benefactors and the general public about the project's or program's progress.
- Prepare clear, detailed reports that can be understood and reviewed without problem by anyone.
- If things do not turn out as planned, ensure that the donor is made aware of it in a clear and transparent manner.
- Believe in the value of the product or action that is being undertaken.
- Assess and record all types of donations (work, supplies).
- Prepare a broad, up-to-date organizational chart.

1.1.5. Attitudes towards donors or benefactors (Specific individuals and groups)

Acknowledgment and appreciation are paramount. Expressing gratitude to each donor is a small price to pay. John of God never tired of it: "I owe a great deal to you and I must thank you for it, since you have always helped me in my works and needs..."⁴. "The angels in heaven have already entered it in the book of life."⁵

Thank you! is one of the most important phrases in the securing of funds and in their management. It is the way to keep enthusiasm alive for the activities carried out and to make donors feel like part of the organization.

1.1.6. Donor care and updates

We always respect their wishes. There are people who wish to remain anonymous and do not want to be "bothered." Anonymous donors are benefactors who want to remain unknown. They often have personal, ideological or religious reasons for why they prefer to remain anonymous.

With other donors, more than a simple "thank you" is needed; the donors want to know what has been achieved with the money they have donated. They are interested in the results of these activities: have the goals that were set out at the time the donation was requested been completely or partially achieved? Or, simply, what is being done with whatever is received? What is it usually used for?

4 SJG 3rd Letter to the Duchess of Sesa. Cf. N° 3

5 SJG 2nd Letter to the Duchess of Sesa. Cf. N° 8



In John of God's spirituality, being accountable is a significant element. And this gave rise to his attitude, which we see in how he did things, at the end of his life, "in the city where he visited the house of every person (to whom he owed money). He calculated the amount that he still owed and noted it in a notebook. Some of his creditors had even forgotten about his debts....and what he owed would be paid, there being clarity about it..."⁶. John of God then made a second copy of his notebook and carried one with him to give to the Archbishop of Granada, Pedro Guerrero, when the latter went to see him on his deathbed.

1.1.7. Updated information about the organization and what we do

It is advisable to maintain periodic contact with donors and benefactors, taking advantage of important dates such as Christmas, saint's days, anniversaries, receipt of bank slips, etc., sending them our news, the annual calendar, the activities report, inviting them to events introducing and/or evaluating projects, campaigns or other actions; this way, they can get to know our ethics of acting in detail, through the documents that demonstrate it.

"This is to let you know how I am and to give you an account of my works, needs and worries, which are growing every day, especially now, as both the debts and the number of poor increase without end: they are many who come naked, barefoot, with sores and even full of lice, to such an extent that we must have one or two men do nothing more than scald lice in a cauldron.... My work increases greatly each day."⁷

1.1.8. Communication and raising awareness about fundraising

Through talks, seminars, publications, round table discussions, information booths, media presence. Working to stimulate a change in attitudes and behaviors in society and promoting justice and solidarity with the most disadvantaged. It is how we make our opinion known and offer training on the topics that we work on and that concern us, being an opportunity to convey our own style of action and of interpreting the Hospitality of today.

1.1.9. Towards government bodies and private entities

The style and specific characteristics of the groups will have to be taken into account and distinguished as much as possible to see if any of the previously mentioned points should be applied or if another classification, distinguished by its own conditions and criteria for collaboration or subvention, is required.

1.1.10. Monitoring and Accountability

A high level of ethics and integrity must be maintained at all times, and this applies to all activities undertaken by the organization in general, and not only to fundraising. An important aspect of this integrity is complete accountability.

⁶ Biography by Francisco de Castro, Chapter XX.

⁷ SJG 2nd Duchess of Sesa. Cf. Nº2

All actions must be accounted for; all funds must be accounted for, and in relation to the purpose for which they were solicited.

1.1.11. Faithfulness to the aims and transparency

Accountability goes together with transparency. The institution should not have any secret goals, and all its activities and expenses have to be public and honest. Account records have to be open and available for inspection and/or audit at the appropriate time. Honesty cannot be compromised. The good aims (goals or objectives) of the organization can not be jeopardized because of dubious means employed to reach them. Faced with the need for money, due to a lack of income, John of God requested that a sale be held to secure subsistence, but on one condition: *"sell it immediately, so that neither the purchaser nor the poor lose anything"*:⁸

1.1.12. Facilitate evaluation and audits

It is important to maintain exact registers and records of all resources used in projects and operations. Support external and internal audits, when advisable due to the volume of the projects, and even in cases when the law does not require it of us due to the volume or the social significance of the projects.

1.1.13. Information about what we do

As with the benefactors, provide them with the information and documentation that we generate about who we are, what we do, and the way we carry out our commitments to society and to the recipients of our mission.

1.1.14. Towards our own organization

All members of the Institution can participate in fundraising, although certainly in different activities. We know from experience how many volunteers get involved in it, especially when they return from participating in an overseas aid program, or when they perform any work that makes them keep believing in the aims of the institution.

Therefore, we must help them get to know our fundraising principles, values and techniques, helping their belief in the integrity of the organization, and in the benefit and value of the organization's activity or project, also become a stimulus for their way of life and--why not!--promote a change in their values.

"Giving to others, we do good to ourselves." This is what St. John of God used proclaimed. And when we talk about alms, we can say that sharing your time is also a type of communion of goods, and it is also a new way to donate, creating awareness of and commitment to the needs of others, building Hospitality.

1.2. International aid

International aid projects must be adapted to the instructions contained in this Manual and must abide by the procedures for managing funds in a way that takes into account the demands of the external financial backer and that facilitates the job of the managing entity, as intermediary, and of the associate entity, as the entity responsible for the project's execution. The general rules applicable to financial procedures for the execution of projects follow:

1.2.1. Procedures for Managing Funds

The movement of a project's financial resources can occur through two means for transferring funds:

- Direct transfer of funds or advanced funds: The associate entity requests advances of funds for the implementation of planned activities and reports expenses paid.
- Direct payments: The associate entity requests that the managing entity make transfers for the payment of supplies at the time they are acquired.

The option that the associate entity make payments out of its own funds in order to be later reimbursed for them is not provided for.

All financial transactions, both relating to income and to expenditures (including advances requested), undertaken in the projects will be recorded in the currency in which they were made and will be counted in the accounting books in Euros and/or US dollars, using the exchange rate applied by the bank in the transaction. In order to determine the overall exchange rate applicable to the project, the average exchange rate will be estimated taking into account all transfers made. For cases where this is not possible, the official exchange rate will be used. Nevertheless, it is possible to have specific accounts for specific currencies (i.e., an account solely for transactions in US dollars, another for the local currency, etc.).

Each financial backer's contributions for a single project will go into individual accounts used exclusively for that project, in order to guarantee the identification reflected by the payments made with that subvention, as well as the accrued interest that needs to be reinvested in the project, taking into account the financial costs.

After making a deposit/transfer into the accounts of the beneficiary Center, that Center must, as soon as possible, send a copy of the receipt to the managing entity.

The management of funds coming from other financial backers or of the Center's own contribution will be monitored and also reported to the managing entity from the project. Contributions of shared costs will also be subject to these financial rules and conditions.

Disbursements must be planned in conformity with the work plan and the Project document, and budget control mechanisms must be instituted in order to ensure that all payment requests, advances of funds and direct payments are processed only if there is financial and budgetary availability.

The beneficiary Center is responsible for maintaining an updated accounting system that includes books, registers and sufficient monitoring to ensure reliability and precision in the rendering of accounts and in the financial information of the projects.

The accounting system must be kept up-to-date with respect to the relevant cycle closing. It is necessary

to institute monitoring mechanisms to ensure that all requests for direct payment and advances of funds are dealt with on the basis of operations and accounts approved in the budget in effect and on the real availability of resources.

In cases where the Implementation Associate makes payments directly through advances of funds, the Associate must keep all back-up documentation for payments it makes for the Project in separate files.

It is important to note that this/these bank account/s will not be considered account/s of the managing entity and that entity will not make specific arrangements for its/their opening or closure. The beneficiary center will be responsible for closely monitoring this/these account/s, performing reconciliations at least quarterly (monthly is advisable) and must keep all back-up documentation for the movements of said account/s in its files for at least five years or the time period stipulated by the laws in effect or by the financial backer. The account/s will not be able to be used for any purpose other than receiving the funds the managing entity advances it and making payments related to the project to be carried out with the advanced funds.

Payments made to suppliers or contractors must be in the name of the beneficiary Center and the invoices or receipts, in the name of the beneficiary Center, unless the external financial backer specifies to the contrary. All of these payments must be supported by the procedure through which the transaction was carried out and paid.

The associate entity absolutely must present its economic and technical supporting documentation in the form agreed with the managing entity, which, in turn, will make a request in accordance with the applicable regulations described by the external financial backer.

1.3. Financial borrowing

An alternative way to finance a project besides Fundraising, the receipt of state subsidies, obtaining International Development funds, etc. is to look for monetary resources that can be used to carry out all or part of said project in the financial market.

Good financial management is vital for optimal project planning in order to reduce project risks. Financing can be classified in the following two ways:

- Internal Financing.- This is financing that comes from the organization's own resources, primarily from the creation of funds and reserves through its capacity to generate liquidity and savings in its activities, improvement in payment terms to suppliers, etc.
- External Financing.- This is financing that arises when a project can not be financed with the organization's own resources, and third parties are turned to.

In this section we will only be discussing External Financing.

Financial capacity

The capacity that an institution has to commit part of its future income to Debt service payments.

The indicator of indebtedness is the thermometer that credit agencies review to find out the capacity that an institution has to commit itself without needing to default or put its assets at risk, in addition to its current situation and future projections for the particular business and for the sector it is a part of.

1.3.1. What factors must be taken into account when looking for financing?

The option of external borrowing involves a risk for the institution and requires that we be absolutely sure that we can face repayment of the debt. To do this, we must make corresponding projections of income and expenses and assess whether the difference will be sufficient to pay off the debt.

Financing for projects is one of the most important topics, given that financing conditions can vary depending on the type of project and the institution proposing it. We will introduce shortly some practical considerations that must be taken into consideration when soliciting private financing for our projects.

Financing costs and conditions can vary significantly, depending on a series of factors, such as the amount, the financing term required, the currency, amortization flows, the institution's level of credit risk, and capacity for repayment; in addition, there are transaction costs associated with each financing alternative.

In addition, financing costs and conditions can also vary depending on the markets that can be accessed, projections for the sector involved, the existence of specific financing programs, etc.

In any event, before contemplating the need to approach a financial institution or a financing mechanism for the projects, the possibility of financing our projects with our own resources must be considered, provided that it is possible and opportune. The primary advantage of this method is the ease and speed of access to the capital.

Nevertheless, it is often the case that the amounts generally on hand are not sufficient to finance strategically significant or high-impact projects.

1.3.2. Most common forms of financing or financing alternatives

Loan

A loan is a financial transaction in which a financial institution grants a person or organization an amount of money previously defined and specified in a contract for a set period of time. A loan means returning the money plus interest and in some cases other associated costs that the financial institution must properly indicate.

For projects, loans are normally subordinated by lines of financing either for fixed assets (real property, equipment) or for working capital, in which case the conditions can vary according to the time period and risk involved in each transaction; normally lines of financing for working capital involve shorter repayment periods and greater interest rates.

Although the waiting period and the procedures for obtaining a loan may take some time, depending on the country, the money is made available immediately and the amount is made available in its entirety, in contrast to some public funds or competitive grants, which make their funds available in stages.

What should we pay attention to when applying for a loan?

The entities responsible for regulating countries' financial systems normally provide the public and other institutions with a set of recommendations to be taken into account when applying for a bank loan, such as:

- Obtain quotes for and compare bank products and services before contracting them; take into account that the banks' interest rates can change even daily. In addition, consult with them about other expenses associated with the financial product or service, in particular legal fees, deed fees, stamp duties, etc. Keep in mind that insurance is often offered in connection with taking out a loan; ask about the conditions of the loan and obtain quotes from different banks.

- We recommend comparing the costs and benefits that the product or service provides.
- Evaluate the real need for the benefits of the product or service and discard those that are unnecessary or that will not be used.
- You must be sure that you have the information required in order to make a decision about purchasing a bank product or service: features of the product or service that you want to purchase. Read the documents that you are given carefully before you sign any contract.
- If you have a doubt, ask about it, and ask them to clarify; in the case of doubts about features or conditions of the product or service that you want to purchase, ask the bank for a detailed explanation, including the effects that the documents you must sign will have for you, especially with respect to the commitments that you will be assuming.
- Regarding legal topics and the drawing up of contracts, it is very important not to take on commitments without reading and understanding what is being signed beforehand, since that brings with it the acceptance of the obligations and rights specified therein. Therefore, before signing, it is advisable to always read and understand the content of all documents that the bank requests of you; be sure to ask about the obligations that you will have to fulfill and verify that they are appropriate for your budget and that the institution can fulfill them without difficulty.
- It is also necessary to understand that the annexes mentioned in a contract are a part of it; all the more reason to read and understand their implications well.

Leasing

This is a good financing alternative for, for example, equipment projects that involve technological updates. Known as financial leasing, it is used to finance the equipment and material necessary for the project. It involves renting these goods from a company in exchange for a periodic fee. There is also a purchase option on the equipment. This financing alternative helps set a company in motion with small outlays.

Renting

Centers that must continually upgrade their equipment or do so in very short time periods might benefit from this system. Computer equipment and vehicles are often financed in this way. It consists of renting the product in question for a set time period, at the end of which it is returned and exchanged for a new one.

Mutual guaranty company

In the case of some projects that exceed the Center's possibilities for financing because of their scale, the possibility of obtaining financing through this mechanism--which would establish a mutual guaranty company with the Provincial Curia to guarantee short- and medium-term financial transactions--can be assessed.

Factoring

For some types of projects with insurance companies or State entities, for undertakings using per capita payment systems or systems of payment based on the number of cases successfully resolved, this mechanism can be considered an alternative, in view of the need to not interrupt cash flows for the project's normal development.

Factoring is one of the most attractive and prolific financing alternatives of recent years, with very significant growth figures in several countries in the region [the Latin American region]. This mechanism consists of transferring the company's future collection of credits and invoices to a financial institution in exchange for cash equal to approximately 90% of the value of those transactions. The primary advantage of this instrument is that it allows the company or institution to extend credit to its clients without affecting its financial flows. This system consists of turning assets, such as checks, invoices, bills, IOUs, contracts and other documents payable, into immediate cash resources through the transfer of invoices and/or documented credits.

To access this tool, it is necessary to go through an evaluation of the amounts and the ability to pay, as well as certification of financial statements, clean business reports and a business that has been in existence for a required period of time. The primary advantages of factoring are that it offers almost immediate liquidity of accounts receivable, avoids administrative costs and does not represent indebtedness in the eyes of creditors.

At present, institutions offer various financing alternatives:

1.3.3. Financial Institutions

Local Banking

Banks:

Banks are the financial institutions whose primary function is to collect resources in bank checking accounts as well as to collect sight or term deposits with the fundamental purpose of carrying out lending operations.

Financial Corporations

Financial corporations are institutions whose primary function is to collect fixed-term resources, through deposits or bonds, in order to carry out lending operations and make investments, with the fundamental goal of promoting or stimulating the creation, reorganization, merger, conversion and expansion of businesses in the sectors provided for under the rules regulating their operation.

Finance companies

Commercial finance companies are institutions whose primary function is to collect resources through term deposits, with the fundamental purpose of carrying out lending operations to facilitate the commercialization of goods or services. The fundamental purpose of commercial finance companies specialized in leasing is to carry out financial leasing transactions.

Limited-purpose Public Institutions (“Wholesale bank” or “Second-floor bank”)

Wholesale or “second-floor” banks are financial institutions that do not deal directly with the users of credit, but rather place loans through other economic intermediaries with whom the liability for the disbursed loan remains.

Their purpose is to develop sectors of the economy, resolve regional or municipal financing problems, and promote export activities, supplier development and new business creation.

Multilateral Bank

A multilateral bank is one of the sources of external loans, and all development banks are referred to as such, including the Inter-American Development Bank (IDB), the World Bank, and the Development Bank of Latin America, among others. The primary function of these banks is to support the development of emerging countries by granting loans on favorable financial terms and providing technical assistance in the preparation, execution and evaluation of programs and projects.

V. APPENDICES

Appendix N° 1

CONCEPT NOTE

Concept note	
INSTITUTION	
PROJECT'S NAME	
Project's number	
What line does the project propose?	
Who is responsible for the project?	
Give a detailed description of the project:	
What is the goal of the project?	
What are the opportunities offered by the project?	
What are the risks of the non-execution of the project?	
What generates the need for the project?	
How does this initiative tie in with the OHSJD's mission? explain:	
Is there any history of a similar project within the institution?	
What source of financing do you intend to use for the project?	
Duration in months of the construction and / or implementation:	
Components and products:	
Does the project require building new infrastructure? Yes, no and why	
Does the project require remodeling and/or expanding the existing infrastructure? Yes, no and why	
Does the project require having equipment? Yes, No and why (state it)	
Will the project generate new services offer? Yes, No and why (state them)	
Does the project modify its existing capacity? Explain	
Does the project require running software, expanding networks? Purchasing computer, communication, telephone and printing equipment?	
What other activities do you think should be carried out to ensure the success of the project?	
Comments:	

Appendix N° 2

Financial viability					
INSTITUTION					
PROJECT'S NAME					
PROJECT'S NUMBER					
INVESTMENT PROPOSAL					
INVESTMENT (Thousands of pesos)	TOTAL	YEAR 20xx	YEAR 20xx	YEAR 20xx	BALANCE
BUILDINGS					
PHYSICAL INSTALLATIONS					
NETWORKS SYSTEM					
BIOMEDICAL EQUIPMENT					
INDUSTRIAL EQUIPMENT FOR HOSPITAL USE					
FURNITURE FOR ADMINISTRATIVE AND SOCIAL USE					
TELECOMMUNICATIONS AND COMPUTER EQUIPMENT					
ADJECENT AREAS (ways, gardens, terraces)					
STUDY ROOMS					
TOTAL					
Equity Resources		Funding			
Start Date (dd/mm/yy)		End Date (dd/mm/yy)			

EXCLUSIVE SPACE FOR FINANCIAL ANALYSIS						
SENSIBILITY ANALISIS		IRR %	NPV (Thousands of COP)	Project Deadline (months)	COMMENTS	
SIMULATION (A) SOLE PROJECT		WAC C EA	PROJECT DEADLINE MONTHS	Monthly WACC		
CLINICAL SIMULATION PLUS PROJECT		WAC C EA	PROJECT DEADLINE MONTHS	Monthly WACC		
Internal profitability rate	%	WAC C EA	INVESTMENT AMOUNT			
Net current value		PROJECT DEADLINE MONTHS		Annual budget Forecast	NO	S
Return Deadline		Monthly WACC	Months	Strategy Plan Forecast	SI	S
INVESTMENT ESTIMATED AT:			OUTCOMES AND RECOMMENDATIONS			
Evaluation Date:						
Design Date:						
PROPONENT			APPROVAL	REGIONAL DELIMITATION		
SIGNATURE			SIGNATURE			

Appendix N° 3

Minimum content of the Profile of a project of Saint John of God Hospital - American Region.

The whole project was born from an idea that is growing in a preliminary study called Pre Investment Profile; this document is mandatory to back up any new investment to be undertaken, regardless of the source of funding.

With the Pre Investment Profile, we inaugurate the first phase of the pre investment.

The main purpose of the profile is the proper identification of the problem and its causes to thereby, in the same pattern to come up with the project objectives, properly identify alternatives to solve the problem and carry out a preliminary evaluation of such alternatives.

Developing a Project Profile should not take too much time and resources, it is all about defining and evaluating the preliminary possibility of developing a set of actions aimed at solving a problem properly identified. This document should have preliminary estimates of costs and benefits, including ranges of variation thereof.

This document is mainly composed of sources of preliminary and secondary information. However, it is possible that in certain circumstances, where this is deemed appropriate, complementary studies or primary source of information are to be requested.

The minimum contents of the whole Pre Investment Profile are as follows:

1. General aspects

1.1. Name of the Project

Place the name of the project which should allow the YSU to identify the type of project and its location. The name chosen shall be maintained throughout the existence of the project.

1.2. Formulator and Executing Unit

Place the name of the Formulator Unit, and the name of the employee responsible for the execution unit. Propose the executing unit of the project, supporting the competence and the capabilities of the proposed organization.

1.3. Participation of the organizations involved and beneficiaries

Record the opinions and agreements of the organizations involved and the beneficiaries of the project regarding the identification and commitment of the project execution.

1.4. Framework

Describe the important facts related to the origin of the project and how that will fall within the public policies sector guidelines, the North and South America Province guidelines and the guidelines of the hospital itself.

2. Identification

2.1. Analysis of the current situation

Submit a brief analysis detailing the current conditions of the public service provision that the project intends to affect within this framework.

2.2. Defining the problem and its causes

Specify, precisely, the central problem identified. Determine the main causes, and their quantitative and qualitative characteristics. Include the cause-problem-effect graph.

2.3. Objective of the project

Describe the main objective or purpose of the project and the specific objectives, which should reflect the changes expected from the intervention. Include the means-objective-goal graph.

2.4. Alternative Solutions

Ask and describe the alternative solutions to the problem, following the analysis of the causes. Alternatives should be technically possible, relevant and comparable. Previous solutions should be highlighted as well.

3. Formulation and evaluation

3.1. Demand Analysis

Estimate the current demand and identify the main determinants that influence it. Estimate the demand along the project evaluation horizon, describing the hypotheses used.

3.2. Analysis of supply

Estimate the current offer and identify the main constraints that affect it. Estimate the supply along the project evaluation horizon, considering the current optimization capacity without investment (situation without project) and describing the hypotheses used.

3.3. Balance Supply and Demand

Determine the current and projected demand not attained (deficit or gap), set goals of the proposed service detailing the characteristics of the target population.

3.4. Costs

Estimate the costs of different project alternatives along the project evaluation horizon, considering the investment, the operation and maintenance.

Estimate the costs of operation and maintenance of the "without project" situation, defined as the current optimized situation, describing the hypotheses and parameters used.

Determine the incremental costs of the different alternatives, defined as the difference between the "with project" and "without project" situation.

3.5. Benefits

Estimate the benefits that would be generated from each of the different project alternatives ("with project").

Estimate the benefits that would be generated from the actions or interventions of the current optimized situation ("without project").

Determine the incremental benefits defined as the difference between "with project" situation and the "without project" situation.

3.6. Social Assessment

Detail the results of the social assessment of the alternatives proposed by using one of the following methods.

A. Methodology cost / benefits

Apply this methodology to the projects only in the case where an adequate quantification of benefits not possible in terms of funding and benefits, therefore, cannot be compared with the costs. Benefits and costs that are compared are the "incremental" ones.

In the case of "private projects" the indicators Net Present Value (NPV) and Internal Return Rate (IRR) should be used.

B. Methodology cost / effectiveness

Use this evaluation methodology only if an adequate quantification of benefits not possible in monetary terms. This methodology consists in comparing the similar expected benefits derived from the interventions in order to select the minimum cost within the limits of a section.

3.7. Sensitivity Analysis

Determine the factors that may affect the flows of benefits and costs. Analyze the profitability of alternatives to possible changes in the factors affecting the benefits and costs flows.

3.8. Sustainability

Identify the institutions and resources that will ensure the project's operations and maintenance.

3.9. Environmental Impact

State the possible positive and negative impacts of the project on the environment and the overall approach to mitigating actions.

3.10. Alternatives selection

Sort out alternatives according to the results of the social assessment, sensibility and sustainability analysis, explaining the criteria and reasons for the order.

3.11. Logical framework matrix for the selected alternative

The final logical framework matrix of the selected alternative will be presented.

4. Conclusion

state the prioritized alternatives and recommend the action to take following the project cycle.

5. Appendices

include as appendices any information that expands some of the points considered in this profile.

Appendix N° 4

Criteria for project developing

When a project is developed it is necessary to follow the guidelines established by the planning practice. The main guidelines or criteria for project development are generally considered the following:

Objectivity: This refers to the need to study the facts without clinging to preconceived opinions or judgments, with willingness to abandon any position that reality shows to be false, inaccurate or unsatisfactory.

Clarity: Each project must clearly define what you want to achieve, reflecting, likewise, on the motivations and aspirations of the groups involved. The objectives are qualitative expressions for certain purposes, while goals are their quantitative translation. We must determine where, when and how it intends to carry out what is proposed.

Reality principle: It makes no sense to set optimal targets the performance of which is, however, completely improbable. To be realistic in the course of one's action, do not confound the possible, the probable and the desirable. You should always suit what is desirable to what is possible, and what is possible in every circumstance must be used to make the probable and the desirable happen.

Flexibility: In the implementation of a plan, program or project, the (ever-changing) economic situations require constant adjustment or proposed correction, hence it is better not to make a fully rigid sequencing. Flexibility consists in planning an operating margin for changing or emerging situations where quick action is necessary to make or produce some changes in direction. Changing situations do not always identify with facts that hamper the achievement of the set objectives; it may also be individual opportunities that emerge at an unexpected time.

Sustainability: This refers to something that is able to be maintained or reproduced on its own merits, without intervention or external support. The term can be applied to various issues: production methods, economic processes, etc. By sustainability we mean that the chances of project benefits are maintained or increased beyond the project completion. The real sustainability cannot be assessed a priori, but the prospects for sustainability can be evaluated if they are incorporated into the Project design aspects that experience shows to be influencing factors.

Viability: By viability we mean the chances that a project has to meet the objectives within the period provided for by the project duration. Viability refers to whether the project objectives can be achieved within the duration of the project. It requires an evaluation of the project design coherence and the ability to mobilize resources / expertise to undertake the activities within the time required.

Charismatic relevance: These are projects with a high strategic value from the charismatic mission standpoint of Saint John of God Works, and are not necessarily economically and / or financially sustainable.

Transversal and multidisciplinary involvement: we will see to it that the projects involve different areas and that it is a joint multidisciplinary and participatory construction that creates synergies.

To come up with a good project, it is important to define the goals of each of the Alternative Solutions, and their total costs. One this score, in this section you should have a clear idea of how to:

- Estimate and plan the services demanded by the project beneficiaries
- Know what is the current offer and restrictions of the services currently provided
- Know the size of the deficit in the provision of goods or services that the Project will address
- Determine the total costs of each of the Alternative Solutions.

Appendix N° 5

Criteria for evaluating projects

Establishing criteria for projects evaluation will help us carry out an analysis to see if a project is appropriate or not, and the optimal time to run, determine which projects should be taken into account, and ,furthermore, propose the appropriate projects execution order based on resource availability.

The proposed evaluation principles are as follow:

Relevance: The relevance of the project analysis determines the appropriateness of the objectives to existing problems.

Efficiency: The efficiency analysis is aimed at determining to what extent inputs, resources and activities have resulted in outcomes, considering such products and / or services generated by the project.

Effectiveness: The effectiveness through analysis is to know to what extent the project has been achieved and how they have contributed to the achievement the specific purpose.

Impact: The impact analysis is aimed at measuring the project's contribution to the General Purpose through its Purpose.

Sustainability: The analysis refers to the project's ability to reproduce its own ability to continue to generate profits and / or services expected

Charismatic Relevance: Non-financially sustainable but very representative from the charismatic projects standpoint.

Transversal and multidisciplinary involvement: this generates synergies among the different areas involved.

Appendix N° 6

Minimum content of the technical records for the execution of building works of health care facilities

GENERAL INFORMATION

General information on the geographic location, approach roads, time frames and distances from the Health Care Centre of the Hospital Order, to others closer, public or private, and given the case, the upholding information of the building works (referencial population, assigned population, existing human resources), as well as the feasibility of water supply and the services of sewage, electricity and telephone, will be recorded.

DESCRIPTIVE MEMORY OF THE PROJECT

It will contain the description of the project, per each specialty (Architecture, Structures, Sanitary and Electric Facilities) including the exterior building works, which should be made compatible with the plans and the budget.

Architecture: It must describe the architectonic and volumetric planning, circulations, enumeration of environments, areas per environment, free areas and external buildings.

Structures: It must describe and sustain the structural design, design criteria and the adopted solution (Justification of the calculations), the application of the Seismoresistant Construction Regulations.

Sanitary Facilities: It must describe and maintain the solution for the drinking water supply and the solution for the sewage system and the rain water system, (justification of the calculations).

Electrical Installations: It must describe and sustain the general characteristics of the Project of electrical and/or mechanical installations (justification of the calculations).

In the projects with Expansion building works, Refurbishment, Remodelling and Rehabilitation, must be included the Descriptive Memory of building work, which will assert the works that will be made and must have the following content, for all the specialties: General description of the modifications that will be carried out in the existent construction and the relation of the items and/or works to be executed and the respective quantity take-offs per each environment intervened in, which must correspond to the plans and the budget.

PLANS

The plans will have the following content:

LOCATION PLAN

It shall present the land with the measures of all its boundaries and the location of the projected construction situated within the area of the land, marking with diagonal lines in one direction the areas with only one level, in two directions those with two levels or floors, and so on, this representation will be done to a 1/500 scale, and shall include the properties, roads or other referential elements up to 200 m, around.

Also, a graphic or location diagram of the land to a 1/1000 scale or out of scale, must be elaborated, which allows to have references in relation to the urban area.

The location plan shall contain the indication of the magnetic north placed homothetically on one side of the plan, likewise in a chart must be indicated the area of the land, total built areas and per floor and the free area.

PLANT PLANS OF ARCHITECTURE, STRUCTURES, ELECTRICAL INSTALLATIONS, SANITATION AND/OR MECHANICAL FACILITIES TO SCALES OF 1/50, 1/20, OTHERS.

Architecture Plant Plan

The plant must be properly marked out in all the elements shaping the project: walls (axis on the main elements and dimension marks on the rest), partition walls, columns, steps, staircases, window boxes, paths, girder projections, eaves; must be marked through symbols or keystones, all elements like doors, windows, locks, floor finishes, walls, plinths, ceilings, coverings and the indications of the sections, elevations and details and their reference to the respective sheets.

Likewise, the nomenclature of each one of the environments and the free areas of the project and the respective levels.

The plans shall be complemented besides, with a caption containing information and/or complementary specifications necessary for the comprehension of the plan.

In the projects of Expansion, Refurbishment, Remodelling and Rehabilitation, a plant plan must also be presented with the elevation of the actual state of the construction. On the plant plan of Expansion, Refurbishment, Remodelling and Rehabilitation, the existent construction should be fully marked as well as the new construction, as well, the work areas, new elements, remodelled and/or relocated, must be marked.

Structure Plant Plan

The structure plans of foundation, ceilings, stairs, elevated tanks, cisterns, septic tanks, percolation pit and retaining walls, must be marked out keeping the same order and nomenclature of the plans of architecture, the sections of the structural elements (foundations, columns, girders, plates, lintels) shall be drawn, and the braces of these must be marked out and marked, indicating levels, overlaps, folds, diameters, among others.

A caption must be placed indicating the main specifications and other structural characteristics of the project (floor resistance, etc.).

Plan Plant of Sanitary Facilities

In the plans the elements of the design must be fully highlighted: mains, points, bathroom fittings, accessories (valves), pumping equipments, directions of the ascents and descents, these being marked with the respective description, symbols or keystones.

The installation design on major scale of the other elements such as cistern, elevated tank, septic tank, percolation pit, water abstraction screens, reservoirs, dynamic filters, must be presented.

A caption indicating the principal and necessary technical specifications of the materials, accessories and other elements of the project must be placed, as well as the description of the keystones used; when required by the complexity of the design, an isometric drawing of the water and/or sewage network, must be placed.

The plans of sanitary facilities must be concordant with the architecture plant, keeping the same nomenclature for the axes, environments, levels, location of bathroom fittings and other elements.

Plant Plan of Electrical and Mechanical Installations

In the plants all the elements of the design must be fully highlighted: circuits, luminaries, connections, switchboards, appliances, accessories (interruption switches), electrical equipments, mechanical equipments, marking these with description, symbol or keystone.

The design on major scale of the installations of elements such as cistern, elevated tank, power house, sand well, sections of pipelines.

The unified diagrams of all the switchboards and the transference diagrams must be effectuated. A caption must be placed indicating the principal and necessary specifications of the materials, appliances, accessories, mechanical and electrical equipments and other elements of the project, as well as the keystones used.

The plants of the electrical and mechanical installations must be concordant with the architecture plants, keeping the same nomenclature for axes, environments, levels, location of appliances and equipments and other elements.

Plans of sections and elevations to 1/50, 1/20 scales

The sections and elevations of Architecture must have height dimension marks of all the elements: railings, splay, lintels, canted girders, stairs, rowlocks, underlayment, plinths and the levels of the platforms of floors, ceilings, eaves, lintels: The finishes of the surfaces of walls, floors, plinths, ceilings, shall be indicated; the indications of the details which will be developed on sheets separately, indicating their nomenclature and sheet reference.

On structures, the sections of the necessary elements such as: staircases, cistern, elevated tank, must be indicated; to show the distribution and quantity of the reinforcement in more detail.

On sanitary and electrical installations, likewise, the cross sections of the elements such as cistern, elevated tank and others, shall be made, which allow to see in more detail the levels and heights of the outlets of the installations, equipments or other elements of these installations.

Detail Plans to scales 1/20, 1/25, 1/10, 1/5, 1/2, 1/1

These plans are important because on them will be indicated with total clarity and detail the description and real measures of each element of the construction, and what will allow to execute in the right way the construction or manufacture of elements.

On architecture, they will be presented in elevations and sections of all the main elements and accessories of the construction, such as doors, windows, bars, railings, fixed furniture and constructive details of floors, plinths, eaves, friezes, rowlocks, flashing, coverings.

On structures, the details of the structural elements like columns, girders, plates, lintels, storks, splice-typical details, overlaps, folds, anchorages, buttresses.

On sanitary installations, the constructive details of placing of valves, electrical warmers, pumping equipments, rain water sewage pipes, manholes and other elements required, must be shown.

On the electrical installations, the constructive details of section of underground pipelines, types of illumination appliances, lightning rod system, undergrounds, etc., shall be shown.

Distribution plan of the equipment and furniture to 1/50 scale.

This plan is used to show the location of the furniture and of the equipments, which allows an adequate service and displacement of the personnel and patients in the environment, as well as for locating the outlets of the sanitary and electrical installations of the equipments.

On the plan, the location of the fixed and mobile furniture and the mechanical or electromechanical equipments which due to their size or importance require graphication, must be indicated, the outlets of electrical installations (electrical outlets, switches, fuse switches, indicating their position and characteristics), the bathroom fittings and the sanitary installations outlets of water and sewage points if required, must be indicated too. The communication outlets and other installation outlets such as oxygen, vacuum, etc., must be indicated.

All the elements of the equipment must be marked with a keystone, whose nomenclature must be coordinated with the Management and Medical Director of each health centre of the Hospital Order, the keystones must be described on a listing included in the same plan with the indication of the supplier: Contractor or other provider.

In the development of the project, the existent equipment and that to be acquired according to the Investment Profile must be indicated.

QUANTITY TAKE-OFF

Elaborated in items and estimate units according to the usual practical norms and those established on the National Regulations of Estimates of Building Works or similar, which must be concordant with the estimates registered on the Descriptive Memory of the building works.

The respective spreadsheets, graphics and/or explanatory sketches as required by the case, must be annexed.

BUILDING WORK BUDGET

Elaborated through generic and specific items according to the usual building work norms, which shall be concordant with the quantity take-offs elaborated.

In the projects with building works of Expansion, Refurbishment, Remodelling and Rehabilitation, the estimate of the Expansion, Refurbishment, Remodelling and Rehabilitation building works and the budget of the new building work, must be presented separately.

ANALYSIS OF UNITARY COSTS

All the materials that should be invested on the items and the real quantities, must be considered, analysing the costs in measuring units of the usual practice and that established on the National Regulations of Estimates of Building Works or on the corresponding norm in every country; the prices must be real of the market, preferentially the software S.10 should be used or other of more frequent use in place. The performance and costs of the labour must be those of civil construction currently in force.

POLYNOMIC FORMULAS

Under no circumstance will polynomic formulas of price readjustment for each one of the specialties be considered. Very exceptionally and when being properly sustained by a high variability of prices of the sector or country, that justifies it, could it be considered; for whose purpose it must be established on the Terms of Reference of the contracting of the service of elaboration of the Technical Record.

TECHNICAL SPECIFICATIONS

All the items of the budget must have their technical specifications and these must maintain the same numerical correlation of the budget.

Every one of the specific items must contain the description, execution method of the works, work measurement and payment method.

Materials of the best quality available on the market shall be used for all finishes, installations and accessories of the health care facilities.

APRECIATION REPORT ON VULNERABILITY OF THE FACILITY

It shall consist on a brief description about the vulnerability of the land, referring fundamentally to its location (environment, characteristics of the land), and to possible risks due to natural phenomenon (earthquakes, floods, rain, landslides, etc.).

VALORIZED SCHEDULE OF BUILDING WORK EXECUTION (TERM)

It shall be formulated on monthly advance periods.

BUILDING WORK EXECUTION SCHEDULE

The GANTT chart and the correspondent PERT –CPM in regard to budget items, must be presented, and indicating the term for the execution of the building works.

UPHOLDING OF GENERAL EXPENSES

The detail of the upholding of the percentages obtained for the calculation of the general direct and indirect expenses shall be presented.

MINIMUM EQUIPMENT

The list of minimum required equipment that the contractor must have at his disposal for the execution of the building works shall be presented.

SOIL MECHANICS STUDIES AND SURVEY (for New Building Work and/or Expansions)

A. Soil Mechanics Studies

- Soil study and determination of the geotechnical conditions of the subsoil
- Presentation of Technical Report, which must contain the following aspects:
 - a. Area Situation
 - Location and description of the study area in the present situation
 - Access to the study area
 - Climatic conditions.
 - b. Geology and geotechnics: lithology
 - Settlements: consequences
 - Main structures (structural geology)
 - External geodynamic seismicity.
 - c. Foundation analysis
 - Load admissible capacity
 - Seismic-resistant design parameters
 - Soil aggression
 - Sand liquefaction analysis (sandy soils).
 - d. Illustrations:
 - Project location Diagram
 - Location diagram of test pits indicating the depth
 - Stratigraphic profiles of the study area
 - Photographs upholding the studies and the presented recommendations.
 - e. Charts and graphics:
 - Chart of the results of the field studies
 - Chart of soil chemical analysis
 - Chart of granulometric and classification
 - Chart of laboratory test results
 - USC stratigraphic profiles of the test pits
 - f. Summary, conclusions and recommendations.

B. Survey

It must contain the following:

a) Descriptive Memory: Generalities

Altitude (masl) climate, winds (predominant direction), relative humidity, rainfalls, panoramic and detail photographs which uphold the survey

b) Content of the plans

Urban or rural location (1/1000 or 1/5000), perimeter, boundary measures (property), orientation.

Chart of the relative coordinates of the utilized stations.

Topographic plan to 1/200 scale with level curves every 0.5 m., preferably every 1 m. in cases of slopes higher than 10%.

Annexe N° 7

The cycle of fundraising

A. Definition of necessities: Get to know the necessities that exist. The best is to make a long list which allows one to make the best choice from all points of view and taking into consideration the sphere of activity that has been established.

B. Get to know the necessity: Each one of the necessities that are suggested are valuable, but we must get to know them in depth. This will lead us to prioritizing the actions in order for these to have the required impact.

C. Get to know what resources are required: Once the necessity to fulfil is chosen, it is indispensable to quantify all the economic and human resources to be able to carry it out.

D. Set a fundraising strategy: Having the amount clear allows us to establish the fundraising strategy, this can be one sole activity, a series of them or a more extensive plan to combine all kinds of activities and actions that allow us to reach the fulfilment of the necessity that we have determined to deal with.

The strategy must be fixed in writing in a plan or project (depending on the case), must have precise information that allows one to undertake monitoring.

E. Strategy implementation: Implementing the actions that have been established, the most convenient is registering them in our plan or monitoring document.

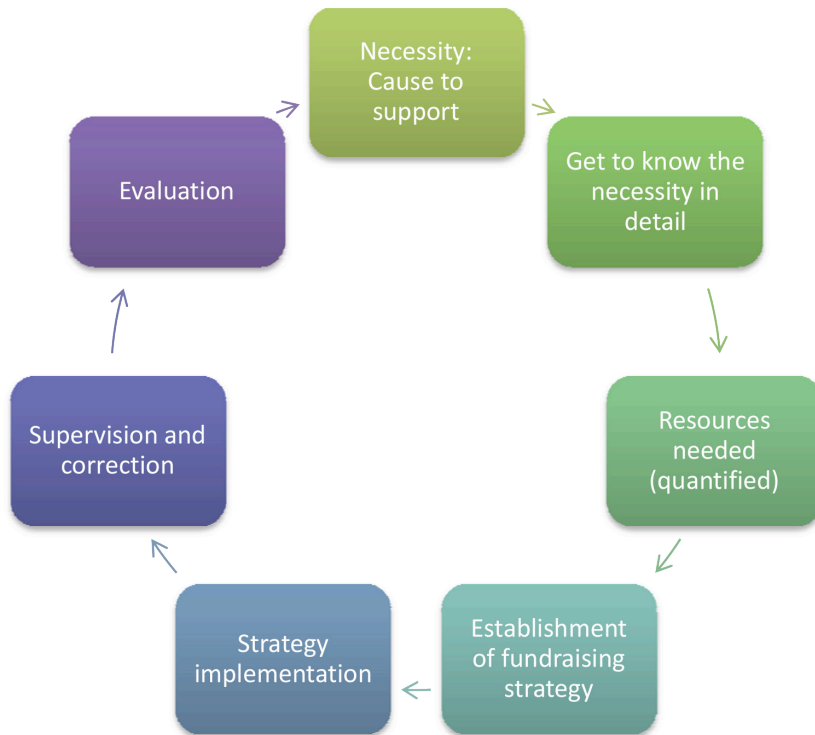
F. Revision and correction of the strategy: In the process of strategy implementation or the preparation of the activity of fundraising it is important to make periodic evaluations which allow one to correct the course or evaluate if the necessary actions are being done and in time to achieve the goal.

G. Evaluation: Once finalized the strategy it is important to know all the aspects and lessons learned for the future activities.

In this evaluation it is important that not only the people that had an active part in the action, do participate, but also that somebody gives us an objective vision from the outside.

Some aspects to be assessed may be:

1. Revise which things had good results and why.
2. Evaluate those that did not come out as expected and what the reasons were for this.



Annexe N° 8

Template fundraising plan

Fundraising plan		Monitoring		Evaluation final	
Project title					
Project mission		Degree of accomplishment (percentage, value)		Degree of achievement:	
Fixed objectives 1. 2. 3.		Results		Results	
Public we aim at		Quantification		Final numbers	
Location (action territorial ambit)		First semester (or estimated time for the monitoring)		Final	
Assigned resources		First semester (or time estimated for the monitoring)		Resources we have had at our disposal	
Anticipated budget		Balance of income and expenditures of the first semester (or estimated time for the evaluation)		Final balance income and expenditures	
Expenditures	Income	Expenditures	Income	Expenditures	Income

Other items that must be considered

When the group plan the event, do not forget that the target is to raise funds. Minimize the expenses on the preparation; this can be done by requesting donated materials and labour.

On the event, attempt to make the effort pay off doubly, that is, we can kill two birds with one stone. If a plant sale is being held, sell buttons and shirts promoting your group. Or make raffles at a community dinner, but make sure that your sales cover the expenses!

Do not limit the duplication of this effort to gaining money. Attempt to create a register of those who attend the event, have a sheet for the registration or offer a prize with the entry for which the persons are required to register. These persons are the contributors of the group, or at least possible contributors. You can continue working with them afterwards and encourage them to become active members.

Make sure that you have sufficient information about your group to hand out –brochures, membership credentials, adverts of the next events. (Some groups have a portfolio with packed-in materials, this way they are always ready for advertising.)

Document your event for the public! Invite the local press to attend, take photographs. This will give you something concrete to show the donators in the future and even something to add to the group news bulletin.

And keep a thorough register of all the persons that helped your group, once the campaign to raise funds has concluded, you will want to thank them.

