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PAN AMERICAN  
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PROGRESS REPORT ON THE PROGRAM FOR TEXTBOOKS AND INSTRUCTIONAL MATERIALS

INTRODUCTION

This document is intended to inform the Executive Committee on the status of negotiations with the Inter-American Development Bank (IDB) for a loan to finance expansion of the medical textbook program to include textbooks and instructional materials for health personnel in all subjects and at all levels.

The XIX Pan American Sanitary Conference (1974) approved Resolution XXXIII instructing the Director to enter into negotiations with the IDB to obtain a loan through the Pan American Health and Education Foundation (PAHEF) to finance expansion of the program. The resolution authorized the Executive Committee "to approve the loan plan if it is satisfied that the terms are the best available, including the pledging of PAHO assets as necessary to guarantee such loan."

The Executive Committee at its 77th Meeting (October 1976) authorized the Director to approve the loan plan within the framework of the proposal then under discussion with the Bank, subject to submission of the plan to the individual members of the Committee and the concurrence of a majority of them.

The consideration of the proposal has experienced various delays but is now in its final stages. It is appropriate, therefore, to inform the Executive Committee of the current framework within which the loan is expected to be approved. The conditions reported in this document do not, of course, imply any commitment on the part of the IDB prior to final approval by the IDB Board of Directors. If the Executive Committee is satisfied with the conditions outlined in this document, it may wish to reconfirm its authorization to the Director.

## OBJECTIVES OF THE EXPANDED PROGRAM

The proposal for an expanded program is a response to the growing demand for well-trained health workers at all levels. The success achieved in the medical textbook program indicates the feasibility of expansion to all health personnel in training. The program is directed at providing the kinds of educational materials needed to form the entire health team. The health worker who will receive the material profits not so much through monetary gain as through increased ability to serve the real beneficiaries, the population needing health care especially those in rural and marginal urban areas.

Experience with the medical and nursing textbooks has demonstrated the benefits derived from the linkage of these programs with the technical cooperation program of PAHO/WHO and with the educational institutions and health services of governments. Not only has the result been a successful textbooks program, but the involvement of the participants in the process of selecting and distributing books has stimulated the study of education and training objectives, methods, content, relationship between disciplines, and integration of education with health services. This effect of the program as a stimulating force is expected to be even greater in the expanded program, which is aimed more specifically toward training of personnel for primary health care systems.

## ORGANIZATION AND OPERATION

The program is planned to be organized and operated on a self-financing, non-profit basis essentially the same as the present program, with participation of PAHO, PAHEF, governments and educational institutions. Existing agreements between PAHO and governments will need to be amended to provide for expansion into new subjects. Under the umbrella agreements with governments, sub-agreements or exchanges of letters will need to be made with educational institutions wishing to participate in the program, such as schools of dentistry, schools of veterinary medicine, engineering schools, technical schools, and others.

The selection of textbooks and educational materials will involve the participating institutions. Once selected, the textbooks and materials will be purchased by PAHEF with funds provided by the loan. Under PAHO administration, books and materials will be shipped to participating schools which will be responsible for their safekeeping and sale to students. The schools will deposit with PAHO the income from sales and send its reports, sales and inventory. The income will be used to meet operating costs and replenish the PAHEF capital revolving fund for purchase of more books and materials.

## PROGRAM SCOPE

Based on the best available information about the number of students and trainees, the program proposes to include the following:

### Textbooks

The program will include textbooks in dental health, medicine, nursing, nutrition, sanitary engineering, veterinary medicine, health administration, midwifery, laboratory technology and X-ray technology. By the fifth year of operation the total annual volume of sales of textbooks in these subjects is projected to reach 160,000. This amount is in addition to, and separate from, the current medical textbook program under which 91,301 textbooks were sold in 1977.

### Manuals and Instructional Modules

For health workers at community level the program will include manuals for use during training and for reference and refresher study during service. Bearing in mind the large numbers to be trained and the shortage of training facilities, self-instructional modules will be prepared to provide detailed instruction for each step. For each manual there will be 2 to 4 self-instructional modules. The modules will serve mainly during the training period, whereas the manual will be retained for use during service. It is projected that the annual volume of sales by the fifth year of operation will reach 107,000 for manuals and 141,000 for instructional modules.

The manuals and modules are grouped under the four headings discussed below:

For maternal and child care, the program will include six manuals in such subjects as care of the pregnant woman, preparation and care of childbirth, care of the mother and newborn, growth and development of the child, nutrition problems in infancy and diseases in infants. In relation to the subject matter of the manuals, it is planned to produce six sets of modules consisting of four self-instructional modules in each set.

For community health education and primary health care, it is planned to include five manuals in such subjects as disease control, accidents, common illnesses, community health education, and nutrition at community level. In relation to the subjects presented in these manuals, there will be five sets of modules consisting of three or four self-instructional modules for each set.

For water supply and sanitation, it is proposed to include three manuals, with two self-instructional modules each, for subjects such as simplified water analysis, water supply operation and basic sanitation.

For administration there are planned two manuals, one in biostatistics and one in supervision.

It will be realized that most of the manuals and self-instructional modules will need to be prepared in consultation with educational and health services personnel in various countries who are already working on material of this type. The Latin American Centers for Educational Technology in Health, especially CLATES/RIO, will make a major contribution. The cost of development of this material will be too high to recover from sales; consequently, every effort will be made to take advantage of material already produced and to enlist the cooperation of national educational institutions and health services, in addition to the technical cooperation program of PAHO/WHO. It is expected to achieve a core body of material applicable to all countries, leaving flexibility for additions or modifications to meet needs or conditions in particular areas.

#### Audiovisual Materials

In order to take full advantage of developments in modern educational technology, it is proposed to supplement the manuals and modules described above with audio-cassettes and film strips mainly for use in health centers. This portion of the program will be limited to low cost materials and the volume will be small compared to manuals and modules. Nevertheless, it must be recognized that some people learn better through hearing than through reading. The development of this aspect of the program will depend on experience.

#### Basic Diagnosis Instruments

There already exists a small program for improving the training of medical students by encouraging them to own their own instruments (stethoscope, tensiometer, and oto-ophthalmoscope). Under the expanded program, provision is made for a modest additional amount of capital to expand this program and to include other health workers among the beneficiaries.

### FINANCING

#### The IDB Loan

The program has been the subject of an intensive study by an IDB team of analysts, composed of an educator, financial analyst, economist

and legal adviser, in addition to the Division of Operations. The size, characteristics and conditions of the proposal expected to be submitted for higher level committee approval and finally to the Board of Directors are outlined below. In general, the conditions are substantially more favorable than the current loan for the medical textbook program.

The amount of the loan will be \$5,000,000, approximately 20% or \$1,000,000 in U.S. dollars and 80% or \$4,000,000 in currencies of those countries where books and educational materials will be purchased. The portion of the loan in national currencies will be made available, as needed, calculated at the U.S. dollar equivalent at the time of disbursement. Repayment of principal in national currencies also will be calculated at the dollar equivalent at the time of repayment.

Most of the loan, \$4,355,000, will be for purchase of textbooks and instructional materials. The technical cooperation portion will be \$600,000. These funds are for consultants, workshops, materials, field trials, and other activities related primarily to the development of instructional materials. Finally, the cost of IDB inspection and supervision will be \$45,000.

The period of the loan will be 40 years, with a grace period of 10 years before beginning repayment of the principal. The rate of interest during the grace period will be 1% per year for the portion drawn and a commitment fee of .5% per year on the undrawn balance of the U.S. dollar portion of the loan. The rate of interest after the grace period will be 2% per annum. (The interest rate on the current medical textbook loan is 3%.)

#### Matching Contribution

The IDB appears willing for the loan of \$5,000,000 to constitute 83.3% of the total of \$6,000,000 for the program, provided a matching contribution of 16.7%, or \$1,000,000, is made by PAHO over a five-year period. This compares with the previous matching contribution by PAHO of \$600,000, representing 23% of the loan of \$2,000,000 for the medical textbook program. In addition to that matching contribution, PAHO agreed to contribute \$100,000 per year for 20 years to repay the loan principal. For the new loan the principal will be repaid by PAHEF with income from the program, thus limiting the PAHO contribution to the matching amount indicated above.

The matching contribution is composed of \$400,000, or an average of \$80,000 per year, for administration, and \$600,000, or an average of \$120,000 per year, for technical cooperation. This matching contribution can be met without new or additional provision in the PAHO regular budget,

provided that there will be no reduction in the current level, particularly in the Special Fund for Health Promotion already planned for educational activities. It is estimated that between the balance in the Special Fund for Health Promotion and the program and budget already proposed there are sufficient resources to finance the consultants, workshops, seminars, educational materials, and other items to support technical cooperation for the production of educational material of the type and in the amount envisaged in the expanded program. Resources also are available in the PAHO textbook fund now being used to finance nursing and some medical textbooks, which program and fund could be merged with the expanded program.

#### Guarantee

The loan will be guaranteed by PAHO, as already authorized, if the final plan is accepted. The form of guarantee which the IDB may request has not yet been formulated. The IDB Financial Analyst has studied the financial condition of PAHO, as shown in the Annual Financial Report, and has found that assets are adequate for purposes of a guarantee. The principal liquid asset is the Working Capital Fund. Consequently, if the loan is approved and guaranteed as expected, this factor would need to be taken into account with respect to the level of Working Capital Fund to be maintained.

#### PAHO-PAHEF Agreement

The present agreement between PAHO and PAHEF for the medical textbook program will need to be modified to include the expanded program. Under this agreement PAHO would continue to be responsible for agreements and arrangements with governments and educational institutions, technical cooperation including selection of textbooks and instructional materials, field administration and operation of the program, and absorption of exchange profit or loss, if any. PAHEF would continue to be responsible for the establishment and financial management of a capital fund to finance the purchase of books and instructional materials, using funds from its loan from IDB and from sales income. PAHEF will be responsible for payment of interest and principal on the loan. The program will be operated on a non-profit basis, and funds derived from it will be used solely for its operation and continuation.

#### CONCLUSION

The objectives of the program respond to the education and training needs repeatedly expressed by governments. The framework is the same as previously reported, except that the financial conditions are more favorable and the amount corresponds more fully to the volume of program

need. The program is viewed not only as being in support of the educational activities of PAHO and the educational institutions and the health services, but also as an assistance in the training of personnel needed by governments to carry out the health programs for which they have contracted loans from IDB.

With respect to the time schedule, experience has shown the uncertainty of predictions. Nevertheless, the present expectation is that the proposal will be submitted to the IDB Board of Directors for final approval in August or September.