

## **FINAL REPORT**

### **COST EFFECTIVENESS STUDY OF FUNDACIÓN SONRISAS QUE ESCUCHAN's (FsqE) CLINICS IN GUATEMALA**

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18<sup>th</sup> January 2023

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## **1. BACKGROUND AND RATIONALE OF THIS STUDY**

This study has been requested by CBM. CBM is a German international NGO committed to improving the quality of life of people with disabilities in the poorest countries of the world. In Guatemala, CBM has been working for more than 20 years with local implementing partners in the areas of health, inclusive education and community-based inclusive development. CBM intends to implement a project “Improved access to hearing health services, inclusive education and equal employment opportunities for persons with disabilities in Guatemala” implemented through the local partner organisations “Fundación Sonrisas que Escuchan” (SqE) and Fundal. The project aims to promote the development of inclusive communities in Sololá, Quetzaltenango, Zacapa, and Escuintla by improving access to hearing health services, inclusive education, and equal employment for people with disabilities.

As an essential component of the project, SqE plans to establish 4 audiology clinics in the rural departments of Sololá, Quetzaltenango, Zacapa, and Escuintla to provide quality hearing health care to mainly poor population groups with and without disabilities including hearing screenings of newborn babies, schoolchildren and elderly people. Furthermore, teachers and medical staff shall receive further training to early detect hearing impairments. Further details on the project will be provided in the project proposal documents.

It needs to be assessed whether SqE has sufficient administrative capacity to establish and manage the 4 audiology clinics independently and without the support of the private clinic CEDAF with which SqE has been closely interlinked in terms of personnel and finances. It furthermore needs to be evaluated whether the 4 audiology clinics will be able to break even and be sustainable when funding through the above-mentioned project ends. For this purpose, a cost-effectiveness study including an economic efficiency/viability calculation based on reliable, realistic, and tangible data needs to be conducted.

This assessment needs to consider the realistically planned income for each of the 4 audiology clinics compared to the operational and staff costs of each of the clinics. It also needs to be considered that the audiology clinics will offer their services mainly to the most vulnerable population in these departments, including indigenous population, who cannot pay for the service or will only be able to make a small financial contribution. Furthermore, it needs to be assessed if there is an actual need among the direct target groups in the 4 rural departments for the services planned to be offered.

## **2. PURPOSE AND OVERALL OBJECTIVE**

To carry out a cost-effectiveness study so as to provide evidence to CBM if the planned 4 audiological clinics in Sololá, Quetzaltenango, Zacapa, and Escuintla are based on an actual demand for audiological services by the target group in these regions and if they will be able to work independently and sustainably after the project ends (end of 2025). This includes an assessment as to whether SqE has the administrative capacity to establish and manage the 4 audiology clinics in Sololá, Quetzaltenango, Zacapa, and Escuintla independently of the private clinic CEDAF and whether the 4 audiology clinics will be able to cover their costs and work in a profitable manner after the project funding ends, guaranteeing the sustainability of the clinics in the future.

### 3. CONTENT OF THIS DOCUMENT

This document is organized in four different sections:

- SECTION I:  
**Assessment of the FSqE's administrative capacity** to establish and manage the 4 audiology clinics in Sololá, Quetzaltenango, Zacapa, and Escuintla independently and without financial or staff support of the private clinic CEDAF.
- SECTION II:  
**Economic efficiency calculation** of the 4 audiology clinics to be established in Sololá, Quetzaltenango, Zacapa, and Escuintla based on reliable, realistic, and tangible data to show if the clinics will be able to cover their costs and work profitably after the projects ends, putting into relation the planned revenue with the expected expenses (operating and personnel), for each of the clinics separately, also considering that the mostly poor target group will only be able to pay a small amount for the services received.
- SECTION III:  
**Assessment of the actual needs** among the mainly poor direct target groups in the departments of Sololá, Quetzaltenango, Zacapa, and Escuintla in relation to the services to be offered in each of the audiology clinic to be established and **provide respective figures** to prove the need and demand for each of the clinics.
- SECTION IV:  
**Conclusions** of the cost-effectiveness study **and recommendations** suggested to improve FSqE's administrative and organizational capacity and have a better economic efficiency in 4 local audiology clinics to be established.

Several questions raised during the review process of the project CBM intends to implement with FSqE are being responded in these sections. To easily find out what these questions are they have been highlighted in blue.

## 4. **SECTION I: Assessment of the FSqE's Administrative Capacity**

### 4.1. FSqE's LEGAL STATUS

FSqE was legally created in July 30<sup>th</sup>, 2019 through Guatemalan Ministry of Governance approval (number of agreement 410-2009). Its overall goal is to contribute to the improvement of life conditions of less developed social sectors in the country.

FSqE is a private entity, for non-profit, non-political and oriented to provide social humanitarian assistance.

FSqE promotes processes that allow the early detection, diagnosis and treatment of hearing impairment in children and adults living in poverty, in order to contribute to their social, school and labor inclusion.

### 4.2. MISSION

Support the improvement of life conditions for people with hearing disabilities using high (medical) technology to promote their full potential and support their development.

### 4.3. VISION

Together towards your hearing health.

### 4.4. WHAT SERVICES DOES FSqE CURRENTLY PROVIDE?

Services currently provided by FSqE are detailed in this table:

**Table 1. Services currently provided by FSqE**

Service	Description	Reach (quantity of services provided per month) *
1.Newborn hearing screening	Early hearing disability detection in newborn provided in public hospitals	1500 newborns
2.School hearing screening	Early hearing disability detection in students during their first years of learning provided in public schools	900 students
3.Audiological diagnosis	Evaluations to identify the type and degree of hearing loss. This service is provided in FSqE's clinics	1420 people
4.Hearing aid fitting & follow ups	Equipment fitting and review to check the hearing loss of attended patients. This service is provided in FSqE's clinics	67 people

Service	Description	Reach (quantity of services provided per month) *
5.Audiological community sessions	Visits to rural and poor communities to provide audiological services on-site.	85 visits
6.Trainings on Primary ear and hearing care	Trainings directed to parents, teachers and medical staff among other audiences. This service is provided remotely and in presence in different places, depending the convenience of participants.	35 people
TOTAL		3,922 people and 85 visits

- According to 2022 data (from January to November)

Since 2009 FSqE has reached more than 190,000 people in three Departments of Guatemala where services have been provided: Guatemala, Quetzaltenango and Sololá. Some people come from other Departments to get access to these services.

Some of these services are being provided for free while others have to be paid. Their price is considerably lower than price charged by private clinics.

**Table 2. Price of provided services**

Service	Price	Average Market price	Average Social price*
1.Newborn hearing screening	Free		
2.School hearing screening	Free		
3.Audiological diagnosis	Paid	30 euro	9 euro
4.Hearing aid fitting & follow ups	Paid		
Hearing aids		120-450 euro	90 euro
Batteries and accessories		9 euro	6 euro
Earmolds and earplugs		25 euro	15 euro
Maintenance of hearing aids		9 euro	6 euro
5.Audiological community sessions	Free		
6.Trainings on Primary ear and hearing care	Free		

**Note:** Rate exchange used to calculate prices: 8.39 quetzales/euro

#### 4.5. WHO ARE FSqE's TARGET POPULATIONS?

Target populations are comprised by people who have no financial access to allow services and equipment to detect and treat their hearing disabilities and require a differential offer adapted to their possibilities.

FSqE beneficiaries are mostly children and elderly people.

When looking at their ethnicity we find the following percentage by each department where services are being provided by FSqE:

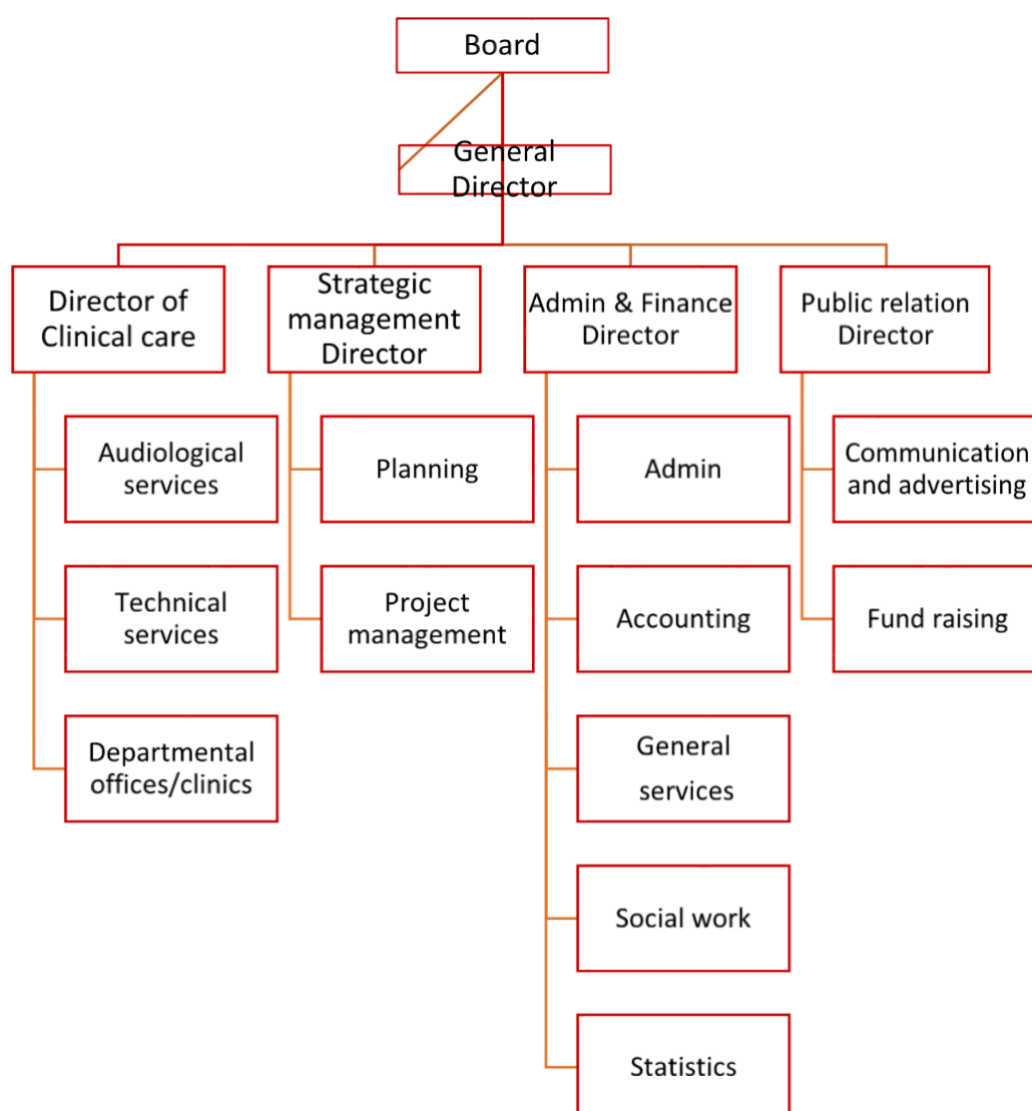
**Table 3. Estimated percentage (%) of indigenous people attended by department**

Department	% Indigenous people
1.Guatemala	25%
2.Quetzaltenango	75%
3.Sololá	95%

#### 4.6. FSqE's ORGANIZATIONAL CHART

FSqE has a board, a general direction and four organizational units: Clinical care, Strategic management, admin & finance, and, public relations.

**Figure 1. FSqE's Organizational chart**





#### 4.7. HOW MANY STAFF MEMBERS ARE EMPLOYED BY THE FOUNDATION?

There are 16 staff members employed by the FSqE, as detailed in this table:

**Table 4. List of staff members employed by the FSqE**

#	Organizational Unit	Organizational sub-unit	Quantity	Position	Employee's name
1	General Direction		1	General Director	Julieta Rodas
8	Clinical care	Audiological services	3	Newborn hearing screening technician	Ximena Muñoz Lourdes Aldana Wendy Guevara
			1	School hearing screening technician	Rosario Rodas
			2	Audiology technician	Cristian González Fredy Ortiz
		Technical services	-		
		Departmental offices/clinics	1	Newborn H.S. technician	Esmeralda García
			1	Audiology technician	Darwin Andrade
-	Strategic management				
7	Admin & finance	Admin	1	Administrative assistant	Claudia García
		Accounting	1	Accountant	Luis Lanceiro
			1	Accountant assistant	Kimberly Sipaque
		General services	1	Receptionist	Andrea Chum
		Social work	1	Social worker	Delmi Ramírez
			1	Typist	Cindy Gómez
		Statistics	1	Computing technician	Jorge Ortiz
-	Public relations				
16					

#### 4.8. HOW MANY STAFF MEMBERS ARE “EMPLOYED BY CEDAF”?

There are 3 key staff members employed and paid by CEDAF that dedicates a considerable amount of time to FSqE (not determined exactly, but probably at 40% or 50%) who play a critical role in the organizational units as detailed in this table.

**Table 5. List of staff members employed and paid by CEDAF that also work for FSqE**

#	Organizational Unit	Organizational sub-unit	Quantity	Position	Employee's name
1	Clinical care	Direction	-	Clinical care director	Patricia Castellanos
1	Strategic management	Direction	1	Strategic director	Roberto Montt
1	Admin & finance	Direction	1	Admin & finance director	Marcel Azurdia
3					

Patricia Castellanos, who plays the clinical care director role, is the founder and owner of CEDAF and is also a member of the board (not taking the President role currently). On daily basis is taking more an advisory role on clinical care supporting the General Director who is taking responsibility of clinical care activities of the FSqE.

Patricia's sister (Carolina Castellanos) is the current President of the Board and is also playing the Public relations director role in the FSqE. She is not being paid by CEDAF, neither by FSqE.

There are other members of CEDAF devoting certain percentage of their time to help FSqE in the Strategic management unit but there is not a clear calculation of their time dedication.

No CEDAF staff member is a member of the FSqE Board.

CEDAF currently has 24 staff members. None of them, except Patricia Castellanos (the founder and owner and Director), is a member of the FSqE Board.

The staff situation shows an evolution from the past assessments because there is a general director in place and 16 full time positions working for FSqE that are being paid by FSqE. However, FSqE and CEDAF are still closely interlinked without the needed separation of functions, roles and visions.

#### 4.9. HOW FSqE FINANCE ITSELF?

- BUDGET

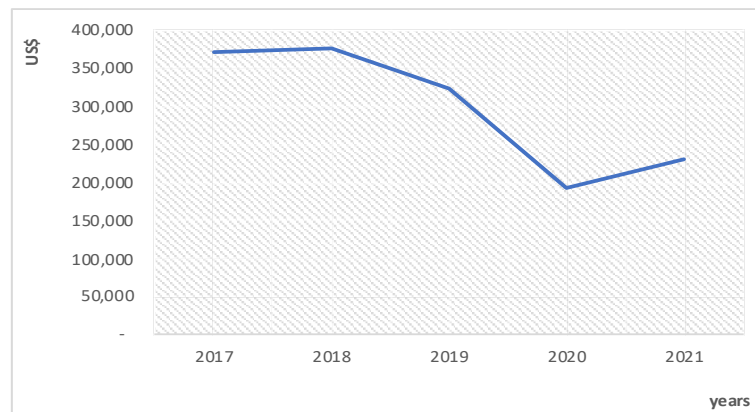
During the period between 2017 and 2019 the FSqE's annual budget oscillated between 320K and 372K US\$ showing a clear stable pattern but in 2020 it was reduced by 50%, to 192K, because the pandemic emergency, which created a huge impact in all the country. In 2021, the budget increased significantly in 20% reaching 230K and probably 2022 has kept this positive tendency in concordance with the recovery stage of the pandemic emergency situation not just in Guatemala, but around the world.

**Table 6. FSqE ANNUAL BUDGET EVOLUTION (2017-2021)**  
**both in Quetzales and US\$**

	2017	2018	2019	2020	2021	TOTAL	%
Admin	504,003	662,117	481,300	372,230	452,965	2,472,615	22%
Vehicles and displacements	124,537	154,768	175,286	102,634	75,475	632,700	6%
Advertising and events	31,661	66,740	3,801	5,317	4,807	112,326	1%
Professional services and consultants	901,993	931,508	906,384	533,142	756,990	4,030,017	35%
Community hearing sessions and patients	1,168,072	1,070,116	795,217	337,829	352,252	3,723,486	33%
Audiology equipment	1,918	15,429	124,519	148,654	134,654	425,174	4%
<b>TOTAL BUDGET IN QUETZALES</b>	<b>2,732,184</b>	<b>2,900,678</b>	<b>2,486,507</b>	<b>1,499,806</b>	<b>1,777,143</b>	<b>11,396,318</b>	<b>100%</b>
REFERENCE RATE EXCHANGE Q/US\$	7.34477	7.73695	7.69884	7.79382	7.71912		
<b>TOTAL BUDGET IN US DOLLAR</b>	<b>371,990.41</b>	<b>374,912.34</b>	<b>322,971.64</b>	<b>192,435.29</b>	<b>230,226.11</b>	<b>1,492,535.79</b>	

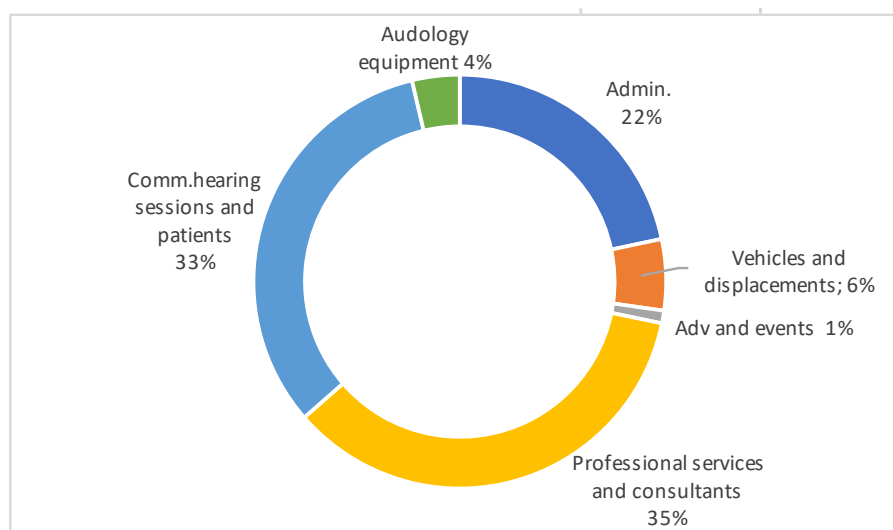
The same data can be seen more visually in this graphic.

**Graphic 1. FSqE ANNUAL BUDGET EVOLUTION (2017-2021)**  
**in US\$ Dollars**



If we take a look at the more significant items of the budget there are two of them that represent 68% of the total budget. These items are: Community hearing sessions and patients (33%) and Professional services and fees/consultants (35%), which makes sense because both items are related with the core mission of the Foundation, which implies to be able to bring audiology/medical services to poor target groups with audiology disabilities in Guatemala.

**Graphic 2. FSqE BUDGET ANALYSIS BY ITEMS**



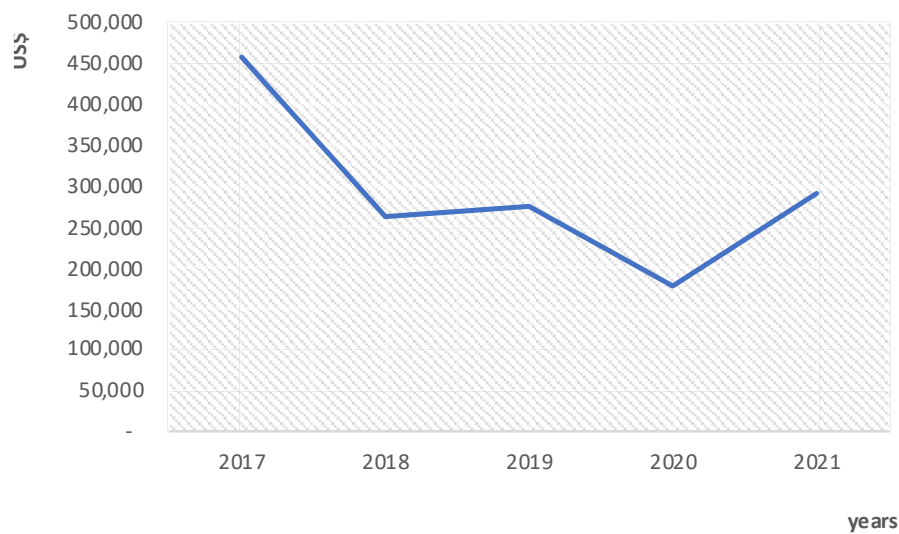
- **INCOME /REVENUE**

The FSqE's income generation from its own medical services has been increasing consistently since 2017 in a significant manner, just interrupted in 2020 because the pandemic context but keeping the same tendency in 2021. However, the FSqE's main income during these last 5 years have come from donors.

**Table 7. FSqE ANNUAL INCOME EVOLUTION (2017-2021)**  
**both in Quetzales and US\$**

INCOME SOURCES	2017	2018	2019	2020	2021	TOTAL	%
Audiological services in clinics	55,854	183,630	225,640	198,646	271,475	935,245	8%
Audiology aids fitting & follow up in clinics	592,525	792,040	847,036	584,110	1,239,405	4,055,116	36%
Recurrent donors (monthly contributors)	76,322	212,152	185,227	45,000	60,297	578,998	5%
Institutional donors / projects	2,595,759	768,912	792,874	545,305	684,760	5,387,610	48%
Fund raising events	45,542	87,848	68,519			201,909	2%
<b>TOTAL INCOME IN QUETZALES</b>	<b>3,366,002</b>	<b>2,044,582</b>	<b>2,119,296</b>	<b>1,373,061</b>	<b>2,255,937</b>	<b>11,158,878</b>	<b>100%</b>
REFERENCE RATE EXCHANGE Q/US\$	7.34477	7.73695	7.69884	7.79382	7.71912		
<b>TOTAL INCOME IN US DOLLAR</b>	<b>458,285.56</b>	<b>264,262.02</b>	<b>275,274.72</b>	<b>176,173.04</b>	<b>292,253.13</b>	<b>1,466,248.46</b>	

**Graphic 3. FSqE ANNUAL INCOME EVOLUTION (2017-2021)**  
in US\$ Dollars



The donors are divided in three categories and represent a variety of institutions and individuals as can be seen in this table.

**Table 8. LIST OF DONORS (2017-2021)**  
by order of their financial contribution

Recurrent donors (Monthly contributors)	Institutional donors /projects	Donors for events
Aida Rodríguez Soto de Castellano	CBM BMZ	Consumidor final
Bien Chilero	World Wide Hearing Foundation	Nuevos almacenes, S.A.
Doña Luisa Xicotentatl, S.A.	Club Rotario Guatemala del Este	Distribuidora electrónica, S.A.
Jardín El Rosario, S.A.	Foundation Rotary	Polímeros y tecnología, S.A.
Kamal Elliot	Club Rotario Guatemala Norte	Tarjetas Promérica, S.A.
Liceo Bressani	Hear the World Foundation	Sonido Seguro, S.A.
María Lorena Castellanos Rodríguez	Entheos Audiology Cooperative	Cementos Progreso, S.A.
Municipalidad de Chisec	CONADI	Ecofiltro, S.A.
Municipalidad de Guatemala	A&E audiology and hearing Center	CEDAF, S.A.
	Rotarians for Hearing R.A. G	Aida Carolina Castellanos
	Latino Business Association	Carlos Cruz
	Global Giving	Juegos recreativos La Jungla, S.A.
		Oscar Terraza
		Noventa Grados
		ABM de Guatemala, S.A.

Recurrent donors (Monthly contributors)	Institutional donors /projects	Donors for events
		Unión Comercial de Guatemala, S.A.
		Inversiones Alcance, S.A.
		Audio Care, S.A.
		Elsa Figueroa
		Estuardo Rodríguez

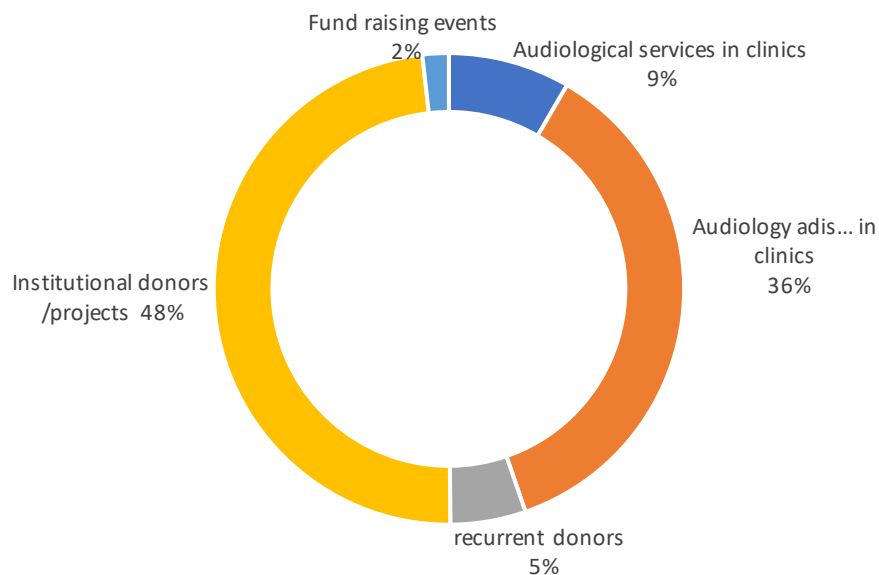
- **SELF-SUSTAINABILITY**

If we look at numbers of the last 5-year period (from 2017 to 2021) we find that 44% of the Foundation income comes from services delivered in the clinics run by FSqE itself. (Audiological services in clinics 8% + Audiology aids fitting 36%). This indicates that self-sustainability is of 44%. The other 56% income comes from donors, mostly from institutional donors.

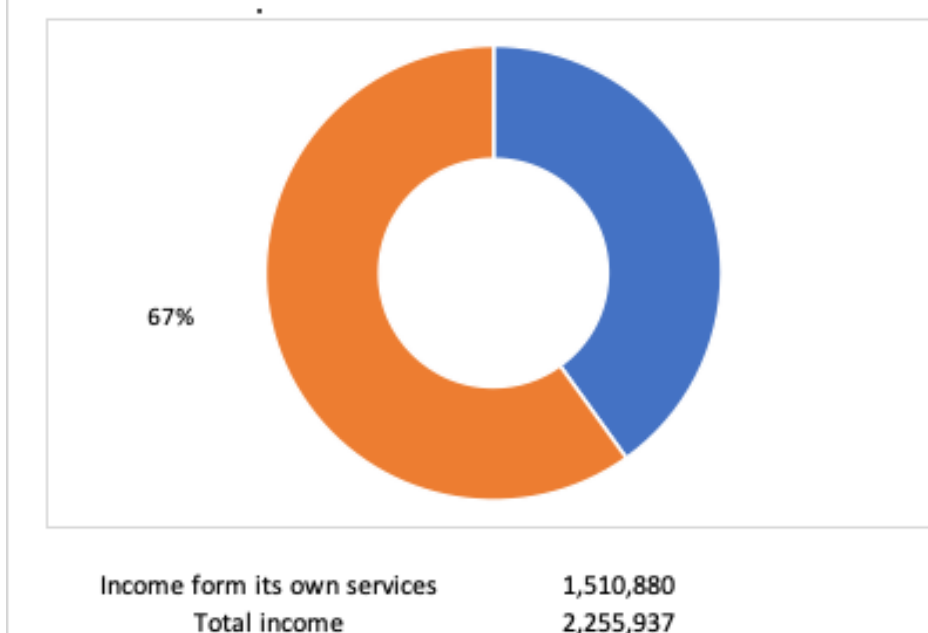
If we look just at the last year's numbers we find that 67% of the Foundation income comes from its own services. FSqE can start thinking on its expansion to other territories in the next years now that the basic clinic is more consolidated and can help developing other smaller clinics located in less developed Departments of the country.

It is expected that this income trend will continue in the future. Patients with hearing disabilities will require these services and fittings.

**Graphic 4. FSqE INCOME ANALYSIS BY SOURCE**



**Graphic 5. SELF-SUSTAINABILITY (taking into account the last year's numbers)**



The ratio of the Foundation income from its audiological/medical services to the income from the implementation of projects for the period between 2017 and 2021 is 0.81

$$\frac{\text{Audiological (medical) services}}{\text{implementation of projects}} = \frac{4.990.361}{6.168.517} = 0.809$$

#### 4.10. STRATEGIC ALLIANCES OF FSqE

FSqE has built strategic alliances with a variety of actors from the public, social and private sector.

Regarding the public sector, the most important institutions are:

- Health Ministry through Departmental Hospitals. FSqE has ongoing relationship with 7 hospitals (the biggest 3 hospitals in Guatemala City and the hospitals of Sololá, Quetzaltenango, Totonicapán and Escuintla).

FSqE also keeps relationship with the IGSS (Instituto Guatemalteco de Seguridad Social), which refer elder people that are looking for hearing disability solutions at best possible prices.

- Education Ministry through CRIES (Center of Resources of Inclusive Education) and public schools' Directors and teachers of special schools.
- CONADIS and CODEDIS (National and Departmental Councils for the Care of Persons with Disabilities) that coordinate with different actors implied with any kind of disabilities to allow greater collaboration
- Municipalities through OMDs (Municipal Offices of Disabilities) and SOSEA (Service of the Office of Major's Wife) devoted to social initiatives
- Deaf schools and Committee for the Blind and Deaf.

Regarding the social sector, there are many different actors in each territory. FSqE has strong strategic allies in Sololá where the indigenous organizations are more actively organized:

- ADISA (Guatemalan Association for People with Disabilities)
- ACOPEDIS (Association for Persons with Disabilities)
- Somos hijos del Lago (We are son and sisters from the Lake (Atitlán))

Regarding the private sector, there are strong ongoing relationships and linkages with otolaryngologists and language therapists, among other medical staff and technicians that collaborate and complement their activities on a regular basis. Also, with private donors that have been financially supporting the FSqE.

Another type of strategic alliances is related with International Development institutions working on Disability issues from a Rights based approach and looking for more sustainable development processes, as CBM and other entities listed already among the donor entities supporting FSqE. However, so far there are no major large donor organisations.

#### 4.11. WHAT IS THE RELATIONSHIP BETWEEN FSqE AND CEDAF PRIVATE CLINICS?

CEDAF plays a strategic role providing technical support to FSqE. It also helps FSqE to keep quality standards in its services and innovation. CEDAF also helps with connections and networks of health professionals. And, with financial support. CEDAF should make clear if it plans to keep this financial support during the next years.

The founder and owner of CEDAF is the founder of the FSqE and both institutions have been interlinked since the beginning. Little by little FSqE has been gaining more organizational capacity and right now has its own admin and finance system and its own operational capacity with 16 people with full time dedication, including the Director. However, the senior management team comprise by 4 Directors of its Organizational Units are working for CEDAF and SFqE in parallel as it was explained before and it does not allow to really separate both institutions in practice. They are being paid by CEDAF and its dedicated time is not being reflected in the operational costs of the FSqE.

FSqE should have its own senior management team working separately and grow according to their different institutional nature and mandate. They can keep having a common origin and deliberated synergy and complementarity without having same structure that created difficulties to keep the independence.

Strengthening the institutional governance of FSqE is another key issue that should be improved in order to engage other actors beyond the CEDAF members. It will allow to have a more representative constituency, more independence and more solid accountability systems in place to show its wonderful work and huge impact to poor target populations they serve for, to strategic allies and policy makers, as well among other publics.



#### 4.12. WHAT IS THE ORGANIZATIONAL (ADMIN / PROFESSIONAL) CAPACITY OF FSqE?

In this consultancy it was used OCA (Organizational Capacity Assessment)<sup>1</sup> tool, which helped to assess - in a participatory way- different sections of the Organizational capacity of SqE focusing in Administrative Section, but analyzing other areas like: governance, financial and human management sections, that are also critical to conduct an overall organizational assessment.

This tool is both quantitative (using questions and a scoring card system) and qualitative (discussion with each section and overall wrap up sections and should be looked at from both aspects). The consultant took into account the group's opinion in each issue but also reviewed the documentation, the arguments during the meeting with FSqE's management team and the information gathered during the field visits.

Scoring values to each declaration of excellence uses this scale and colors.

Completely agree	Agree	Disagree	Completely disagree

Aspects that were analyzed in each section are detailed in these tables:

##### Governance Section Summary

Section	Sub-section	Declaration of excellence	Valuation
Governance	Vision/Mission	The vision and mission are written, communicated and inspired and are consistent with the current purpose and aspirations of the organization.	
	Legal Status and legal requirements	The organization is legally registered and in full compliance with all legal requirements and licenses.	
		The organization has a good knowledge of national and local taxes, labor, occupational, health and safety, environmental and any other applicable laws.	
	Organizational Structure	The organizational structure (organization chart) clearly depicts the lines of responsibility and authority of organizational units and positions.	
	Board Composition and Responsibility	The organization has a board of directors that is independent of the management team, i.e., no family or personal relationships.	
		The board of directors is effective in: defining management roles, providing guidance, defining strategies and policies, supporting and mobilizing resources, and providing oversight of resources.	
		An ethics policy is in place and is being effectively implemented and followed.	
	Succession	Dependence on the current leader is low.	

<sup>1</sup> The New Partners Initiatives (NPI) OCA tools and processes were developed by Initiatives Inc. with contributions by John Snow Incorporated (JSI) under the USAID-funded New Partner's Initiatives Technical Assistance (NuPITA) Contract.

	Planning	Has the potential for a smooth transition to a new leader by having other coordinators taking the role.	
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#### Financial Management Summary

Section	Sub-section	Declaration of excellence	Valuation
Financial Management	Budgeting	The budget of the main costs is well aligned with the strategic plan.	
		Revenues and expenses are tracked monthly against budgets.	
	Accounting System	The accounting system is formal and automated.	
		The accounting system captures, stores and reports information in a correct, complete and timely manner.	
		The project accounting system can issue reports by project or cost center in a timely manner.	
	Internal controls	Do not have signed checks, have periodic bank reconciliations. The organization assesses financial risks.	
	Banking accounts management	Bank accounts are regularly reconciled and properly managed.	
	Financial Documentation	There are updated written manuals on financial management procedures and regulations.	
		Financial recording procedures are correct, complete and up to date.	
	Financial statements and reporting	The financial statements are complete, reliable and well documented with good explanatory notes.	
		Managers constantly review the financial statements.	
		The financial reports of projects with cooperation funds usually do not need to be corrected.	
	Audit	The financial statements are audited at least annually by external auditors.	
		The organization has a good and transparent internal audit system.	

#### Administration Section Summary

Section	Sub-section	Declaration of excellence	Valuation
Administration	Operational Policies, Procedures and Systems	Policies/regulations, procedures and operating systems are properly documented (office equipment, supplies, office vehicles, cabs, personal vehicles, mail handling, telephone, photocopying, security, lost or stolen equipment, etc.).	
	Information Technology (IT)	Information systems have had significant hardware or software upgrades in the organization in the last 3 years.	
		The organization's computer equipment is sufficient for the workload.	
		Computer equipment is networked and backed up.	
		IT systems and equipment are secure against viruses and other breaches.	
	Travel Policies and Procedures	Travel policies and procedures are written.	
		Reimbursement of travel expenses is promptly paid.	
	Procurement	Procurement and purchasing policy and procedures are written.	
	Fixed Assets Control	Fixed asset policies and procedures are documented and regularly updated.	
		Fixed asset policies and procedures include a definition of intangible assets, requirements for labeling, inventory, insurance and custody.	
		The asset is maintained, replaced and properly disposed of.	

### Human Resources Management Section Summary

Section	Sub-section	Declaration of excellence	Valuation
Human Resources Management	Job Descriptions	Job descriptors are updated and aligned with the organization's strategic objectives and plans.	
		Job descriptors are used to define job profiles and to guide personnel performance evaluations, which are conducted on a semi-annual or annual basis.	
		The necessary personnel are in place to carry out the activities effectively and efficiently.	
	Recruitment and selection	Contracting processes are consistently transparent.	
		There are periodic reviews of salary levels.	
		There are career opportunities within the organization.	
	Personnel policies	Personnel management policies and procedures are reviewed regularly.	
		Personnel policies consider gender aspects (both to avoid gender-based discrimination and to prevent gender-based violence, sexual harassment, etc.) and provide for periodic training and sensitization of personnel.	
	Staff history and consultants	The organization has complete records of current and historical personnel, including: resumes, performance evaluations, changes in job status, salaries, contracts, etc.	
	Staff salaries and benefits	Policies and procedures for salaries and employee benefits are documented.	
		There is a salary table with bands by level of responsibility. Defines the opportunity to advance horizontally and/or vertically.	
	Staff performance management	The organization trains personnel with supervisory responsibilities.	
		Staff use work plans and/or performance objectives prepared at least once a year or at specific periods.	
	Organizational climate	The organizational climate is positive and stimulating, and is analyzed periodically.	

Based on the documentation reviewed and the conversations held with the FSqE management team in this short consultancy, a rapid assessment of its organizational capabilities has been made focusing the analysis in 4 areas:

1. Governance
2. Financial Management
3. Administration
4. Human Resource management

Improvements and progress are reported in the last three areas, although there are some aspects that need to be further strengthened, as indicated by the colors assigned in the tables.

Undoubtedly, the area that requires more attention is governance because there are still strong interlinks with CEDAF and should be a more clear and adequate separation of personnel between the two entities. In addition, governance needs to be strengthened through a board of directors more independent of the management team with no family or personal relationships. There is also room for improvement to reduce the organizational dependence on the leader who could be gradually delegating more functions and responsibilities among other managers, while keeping presence and active participation.

## 5. SECTION II: Clinics' economic efficiency calculation

The Cost-Effectiveness Analysis (CEA) is a quantitative method to assess whether the effect of an intervention is justified by its costs.

A way to measure cost-effectiveness is to measure the revenue generated against the expenses incurred. Of course, it implies a planned revenue calculation with the expected expenses (operating and personnel) independently and without the support of the private clinic CEDAF and the most important, if the established 4 audiology clinics will be able to break even and be sustainable when funding through the above-mentioned project ends in 2025, without the CBM project support.

Before starting the economic calculation there are some questions that should be responded in this section.

### 5.1. WHO ARE THE OWNER(S) OF THE CLINICS?

These clinics are run by the FSqE and FSqE is the owner. Because its organizational nature it is an NGO, for non-profit and it means that its assets and properties cannot be distributed among its constituency or board members.

Right now, there is only one clinic operating, which is located in Guatemala City and is called "basic clinic". It is located in the same building where CEDAF's clinic operates but in a different floor-.. This space is being rented. The FSqE owns the equipment and vehicles.

Because these clinics have been created to provide services to poor target groups the social prices are lower than CEDAF's clinics and their profitability margin is low but should be enough to cover their costs.

When patients cannot afford the FSqE prices for services and fittings the social worker carries out a socioeconomic assessment to identify how much they can pay. The price to be paid is adjusted if needed. In exceptional cases, services and fittings are provided for free. This is not the rule but the exception.

Since 2017 audiology services are being provided in Quetzaltenango and Sololá but there are no FSqE clinics right now as it will be explained in the next question.

### 5.2. WHAT IS THE CURRENT SITUATION OF THE CLINICS?

#### **BASE CLINIC:**

The base clinic (located in Guatemala City) has been in continuous operation since 2009. It offers all services and is staffed with trained personnel. Also has specialized medical equipment and supplies.

Not only do they receive patients from the city, but also from other departments of Guatemala who are aware of the clinic or are referred by doctors or institutions.

This is FSqE's main clinic and serves also as a training center for new staff from the other departmental clinics and teams.

At the base clinic there are 8 full-time staff members providing clinical services as described in the table 4 of this report.

These personnel travel to the territories to complement their capabilities, either to strengthen the team that visit rural communities to carry out community hearing sessions (covering public schools and community population) and also to perform specialized audiological diagnosis (such as ARES). Three or more people from basic clinic make 3 days visit at least one week per month. To carry out these activities they need to bring with them specialized medical equipment and supplies that are being carried by vehicles able to drive on local roads, usually in bad conditions.

### **SOLOLÁ:**

The previous CBM/BMZ project that was implemented between 2017 and 2019, allowed FSqE to hire 2 local people who were trained to provide neonatal hearing screening services and perform audiology diagnosis.

Although the project ended, FSqE still maintains 2 local people working in Sololá (one of them is indigenous -kaqchikel woman and with auditive disability herself).

FSqE does not have a clinic or its own space in Sololá. The municipality of Panajachel through SOSEA allows them to use a room 3 times a week (Monday, Thursday and Friday) to provide audiology services to people who need assistance. This space is too limited to provide other types of services. They have a very basic equipment and no conditions to keep privacy or a waiting room. If they would have a more appropriate space they could offer other type of services and get more income to sustain its operation.

In addition, they frequently visit the departmental hospital located in Panajachel for neonatal hearing screening.

In coordination with ADISA, they have agreed that on the first Tuesday of each month they travel to Santiago Atitlán to provide care to people from nearby communities.

They also collaborate with the organization SOMOS HIJOS DEL LAGO who lends them a space to provide care in San Pedro La Laguna for its inhabitants and neighbored communities.

The social price is lower in Sololá than other places where FSqE operates because the poverty rate is higher.

FSqE is an active member of ACOPEDIS and relates directly with other organizations that address the issue of disability from a broad variety of specialties and approaches.

In Sololá almost all attended population is indigenous. It is a highly organized area that allows FSqE be part of a more complex organizational structure to promote sustainable development processes.

### **QUETZALTENANGO:**

The previous CBM/BMZ project that was implemented between 2017 and 2019, allowed FSqE to hire 2 local people. One of them was trained to provide audiology services. The other one was playing a more administrative role.

In 2020, because the pandemic situation, the audiology technician left the job and FSqE could not keep its presence. The other person had to leave because it made no sense to keep just the administrative position. The FSqE has no presence since that period.

Five or six months later, CEDAF opened a clinic in Quetzaltenango with 3 staff members (2 audiology technicians and 1 receptionist).

This team is actually doing the private and social work in Quetzaltenango. That means that is being hired and paid by CEDAF but it is also doing FSqE's work, visiting hospitals, schools and communities and providing differential services with different prices to those people that are being referred by other institutions or doctors and are not able to pay market prices.

In this case, in Quetzaltenango, there is not a real separation between CEDAF and FSqE.

The FSqE's management team and the Director expressed that they hope to receive CBM/BMZ support to establish a FSqE clinic separately because there is a lot of people coming not just from the Quetzaltenango Department but also from Huehuetenango, San Marcos, Masatenango, Totonicapán and even from Tapachula (a Mexican village in the border with Guatemala) asking for their assistance.

They are planning to hire 2 people to train them as technicians and work in collaboration with the base clinic following up the work that is being done in coordination with Ministry of Education / CRIES, IGSS, OMD, Deaf schools, Committee for the Blind and Deaf, among others.

### **5.3. HOW MANY STAFF WILL WORK AT CLINICS? WHAT WILL BE THEIR QUALIFICATIONS?**

Clinics can be operated by two staff members (ideally, one Newborn Hearing Screening Officer and Audiology Technician will comprise the team).

They do not require to have previous audiological experience because they will be trained to accomplish their work. The Newborn Hearing Screening Officer will require at least 3 weeks of training before start providing the service to hospitals and the Audiology Technician will require at least 3 months of training before start doing audiology diagnosis.

Other services more specialized (like ARES, which requires anesthesiologist) will be provided by FSqE staff working in the basic clinic, who will travel with the specialized equipment and medical accessories and materials to do their job. The departmental clinic should have the infrastructure to offer these types of services.

For doing the community hearing sessions the basic clinic is also complementing the departmental clinics because they attend a significant number of people and require more personnel and equipment if possible. However, the departmental clinics have their own mobile equipment to deliver very basic services at community level.

**5.4. WHAT ARE THE INPUTS TO CALCULATE ECONOMIC PROFITABILITY? WHAT QUANTITY AND TYPE OF SERVICES PROVIDE EACH CLINIC IN EACH LOCATION AND AT WHAT PRICE?**

According to current year 's (2022) data provided by FSqE; the quantity of monthly services provided by location is as follows:

**Table 9. Services currently provided by FSqE by location**

Service	Reach (quantity of services provided per month)*	Reach by location		
		Basic Clinic (Guatemala City)	Quetzaltenango	Sololá
1.Newborn hearing screening	1500 newborns	1200	170	130
2.School hearing screening	900 students	150	600	150
3.Audiological diagnosis	1420 people	1402	10	8
4.Hearing aid fitting & follow ups	67 people	42	18	7
5.Audiological community sessions	85 visits	35	18	32
6.Trainings on Primary ear and hearing care	35 people	27	7	1
	3,922 people and 85 visits	2,821 people and 35 visits	823 people and 18 visits	296 people and 32 visits

The social price differs a little bit between each location.

**Table 10. Price of provided services by location**

Service	Price	Average Social price*	Social price by location		
			Basic Clinic (Guatemala City)	Quetzaltenango	Sololá
1.Newborn hearing screening	Free				
2.School hearing screening	Free				
3.Audiological diagnosis	Paid				
Audiology		9 euro	9 euro	9 euro	5 euro
ARES		77 euro	77 euro	77 euro	- *
4.Hearing aid fitting & follow ups	Paid				
Hearing aids		90 euro	90 euro	90 euro	83 euro
Batteries and accessories		6 euro	6 euro	6 euro	6 euro
Earmolds and earplugs		15 euro	15 euro	15 euro	15 euro

Service	Price	Average Social price*	Social price by location		
			Basic Clinic (Guatemala City)	Quetzaltenango	Sololá
Maintenance of hearing aids		6 euro	6 euro	6 euro	6 euro
5.Audiological community sessions	Free				
6.Trainings on Primary ear and hearing care	Free				

- In Sololá, ARES is not available because they lack conditions for doing this type of diagnosis that requires to sedate patients (for children under 6 years old)

Taking into account this information (the quantity and price of monthly average services provided by location in Sololá and Quetzaltenango) we can project expected income generation by each clinic. With the expected expenses (including both operational and personnel) we can calculate the annual cash flow and the profitability.

Analyzing historical data from previous years it's clear that there is an ongoing demand of those patients that are being treated plus the ones that are being identified in the hospitals, schools and communities through the hearing screenings. FSqE has already accumulated enough data to make a projection of expected income generation, using average prices that are currently being paid in each territory (Guatemala City, Sololá and Quetzaltenango).

There is the assumption that the clinics in Zacapa and Escuintla will have a similar behavior with Quetzaltenango's clinic, due to their socioeconomic situation.

During the technical mission/assignment to Guatemala with this consultancy we devoted some time to work with the FSqE's technical team on the estimation of the economic viability of the four clinics. Some minor changes were introduced to previous expenses projection to refine the analysis. In the table 11 you can find **2 different scenarios**: one for Quetzaltenango, Zacapa and Escuintla and another one for Sololá.



**Table 11. PROJECTED FINANCIAL CASH FLOW IN FOUR CLINICS (ANNUAL INCOME – EXPENSES)**

EXPECTED INCOME AND PLANNED EXPENSES (ANNUAL CASH FLOW) FOR FSqE's CLINICS IN QUETZALTENANGO, ZACAPA AND ESCUINTLA in euros																
INCOME	Price	Monthly quantity	month 1	month 2	month 3	month 4	month 5	month 6	month 7	month 8	month 9	month 10	month 11	month 12	TOTAL	
AUDIOLOGICAL DIAGNOSIS																
Audiology	9	8	72	72	72	72	72	72	72	72	72	72	72	72	864	
ARES	77	2	154	154	154	154	154	154	154	154	154	154	154	154	1,848	
Ear cleaning	-															
Sub Total			226	226	226	226	226	226	226	226	226	226	226	226	2,712	
HEARING AID FITTING & FOLLOW UPS																
Hearing aids	90	18	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	19,440	
Batteries and accesories	6	18	108	108	108	108	108	108	108	108	108	108	108	108	1,296	
Earmolds and earplugs	15	18	270	270	270	270	270	270	270	270	270	270	270	270	3,240	
Maintenance of hearing aids	6	7	42	42	42	42	42	42	42	42	42	42	42	42	504	
Sub Total			2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	24,480	
TOTAL INCOME			2,266	2,266	2,266	2,266	2,266	2,266	2,266	2,266	2,266	2,266	2,266	2,266	27,192	
EXPENSES	Cost	Monthly quantity	month 1	month 2	month 3	month 4	month 5	month 6	month 7	month 8	month 9	month 10	month 11	month 12	TOTAL	
Salaries and benefits	527	2	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	12,644	
Rental	238	1	238	238	238	238	238	238	238	238	238	238	238	238	2,861	
Basic sesrvices	42	3	125	125	125	125	125	125	125	125	125	125	125	125	1,502	
Stationery and cleaning	60	1	60	60	60	60	60	60	60	60	60	60	60	60	715	
Transportation	18	4	72	72	72	72	72	72	72	72	72	72	72	72	858	
Clinical supplies	48	1	48	48	48	48	48	48	48	48	48	48	48	48	572	
Phone	24	2	48	48	48	48	48	48	48	48	48	48	48	48	572	
Uniforms	107	2	215												215	
Advertising	24	1	24	24	24	24	24	24	24	24	24	24	24	24	286	
TOTAL EXPENSES			1,882	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,224	
BALANCE			384	983	1,581	2,180	2,778	3,377	3,975	4,574	5,172	5,771	6,369	6,968	6,968	

**EXPECTED INCOME AND PLANNED EXPENSES (ANNUAL CASH FLOW)**  
**FOR FSqE's CLINIC IN SOLOLÁ**  
in euros

INCOME	Price	Monthly quantity	month 1	month 2	month 3	month 4	month 5	month 6	month 7	month 8	month 9	month 10	month 11	month 12	TOTAL
<b>AUDIOLOGICAL DIAGNOSIS</b>															
Audiology	5	4	20	20	20	20	20	20	20	20	20	20	20	20	240
ARES	1	4													
Ear cleaning	3	4	12	12	12	12	12	12	12	12	12	12	12	12	144
Sub Total			32	32	32	32	32	32	32	32	32	32	32	32	384
<b>HEARING AID FITTING &amp; FOLLOW UPS</b>															
Hearing aids	83	7	581	581	581	581	581	581	581	581	581	581	581	581	6,972
Batteries and accesories	6	7	42	42	42	42	42	42	42	42	42	42	42	42	504
Earmolds and earplugs	15	1	15	15	15	15	15	15	15	15	15	15	15	15	180
Maintenance of hearing aids	6	3	18	18	18	18	18	18	18	18	18	18	18	18	216
Sub Total			656	656	656	656	656	656	656	656	656	656	656	656	7,872
<b>TOTAL INCOME</b>			<b>688</b>	<b>688</b>	<b>688</b>	<b>688</b>	<b>688</b>	<b>688</b>	<b>688</b>	<b>688</b>	<b>688</b>	<b>688</b>	<b>688</b>	<b>688</b>	<b>8,256</b>
EXPENSES	Cost	Monthly quantity	month 1	month 2	month 3	month 4	month 5	month 6	month 7	month 8	month 9	month 10	month 11	month 12	TOTAL
Salaries and benefits	527	2	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	12,644
Rental	238	1	238	238	238	238	238	238	238	238	238	238	238	238	2,861
Basic sesrvices	42	3	125	125	125	125	125	125	125	125	125	125	125	125	1,502
Stationery and cleaning	24	1	24	24	24	24	24	24	24	24	24	24	24	24	286
Transportation	18	4	72	72	72	72	72	72	72	72	72	72	72	72	858
Clinical supplies	24	1	24	24	24	24	24	24	24	24	24	24	24	24	286
Phone	24	2	48	48	48	48	48	48	48	48	48	48	48	48	572
Uniforms	89	1	89												89
Advertising	24	1	24	24	24	24	24	24	24	24	24	24	24	24	286
<b>TOTAL EXPENSES</b>			<b>1,697</b>	<b>1,608</b>	<b>1,608</b>	<b>1,608</b>	<b>1,608</b>	<b>1,608</b>	<b>1,608</b>	<b>1,608</b>	<b>1,608</b>	<b>1,608</b>	<b>1,608</b>	<b>1,608</b>	<b>19,384</b>
<b>BALANCE</b>			-	1,009 -	1,929 -	2,849 -	3,769 -	4,689 -	5,609 -	6,528 -	7,448 -	8,368 -	9,288 -	10,208 -	11,128 -

If we consolidate this financial information for the four clinics, we find that annually all together reach the break-even point, as you can see in this table.

**Table 12. Consolidated profitability calculation of four clinics**

<b>Clinics' location</b>	<b>Projected annual income</b>	<b>Projected annual expenses</b>	<b>Projected annual Balance / profitability</b>
1. Quetzaltenango	27.192	20.224	6.968
2. Zacapa	27.192	20.224	6.968
3. Escuintla	27.192	20.224	6.968
4. Sololá	8.256	19.384	-11.128
<b>TOTAL</b>	<b>89.832 euros</b>	<b>80.056 euros</b>	<b>9.776 euros</b>

In Sololá, there is a quite a high negative balance (11k EUR after one year). This difference could be covered by cross-subsidisation from the other clinics.

## 6. SECTION III: DEMAND

According to data from the XII Population Census and VII Housing Census in Guatemala reveal that the number of people with disabilities is estimated at 10.38% of the population, approximately 1.5 million inhabitants (INE, 2018).

This estimation, coincides with the one generated by the 2nd National Survey on Disability in Guatemala (2016), which sampled communities in 159 municipalities in the country and identified that more than 10% of the population live in conditions of disability and 31% of households have at least one person with a disability.

The National Council for the Attention of Persons with Disabilities (Conadi), estimates that there are around 240 thousand deaf people, who, according to the 2018 Census, represent 3% of the population older than four years old. This data makes us presuppose that around the 3% of the population of the departments of Guatemala, Quetzaltenango, Sololá, Zacapa and Escuintla constitute the potential demand for the services offered by FSqE in these Departments.

The poverty rates are high and oscillate between 44% and 74.6%, which also implies that a huge amount of people have difficulties to access to medical services because their economic situation and the lack of availability of public services.

**Table 13. Potential demand for clinical services based on Departments' population data**

Departament	Population	Poverty rate	Estimated population with hearing impairment
Quetzaltenango	799,101	44.0%	23,973
Escuintla	733,181	52.9 %	21,995
Sololá	421,583	74.6 %	12,647
Zacapa	245,374	53.9 %	7,361
	3.148.500		65,976

Another important data that show us the real demand FSqE has had during the last six years come from their registered information about delivery service by location and year (see Table 14).

In both cases we can conclude that there is need and demand for these services.

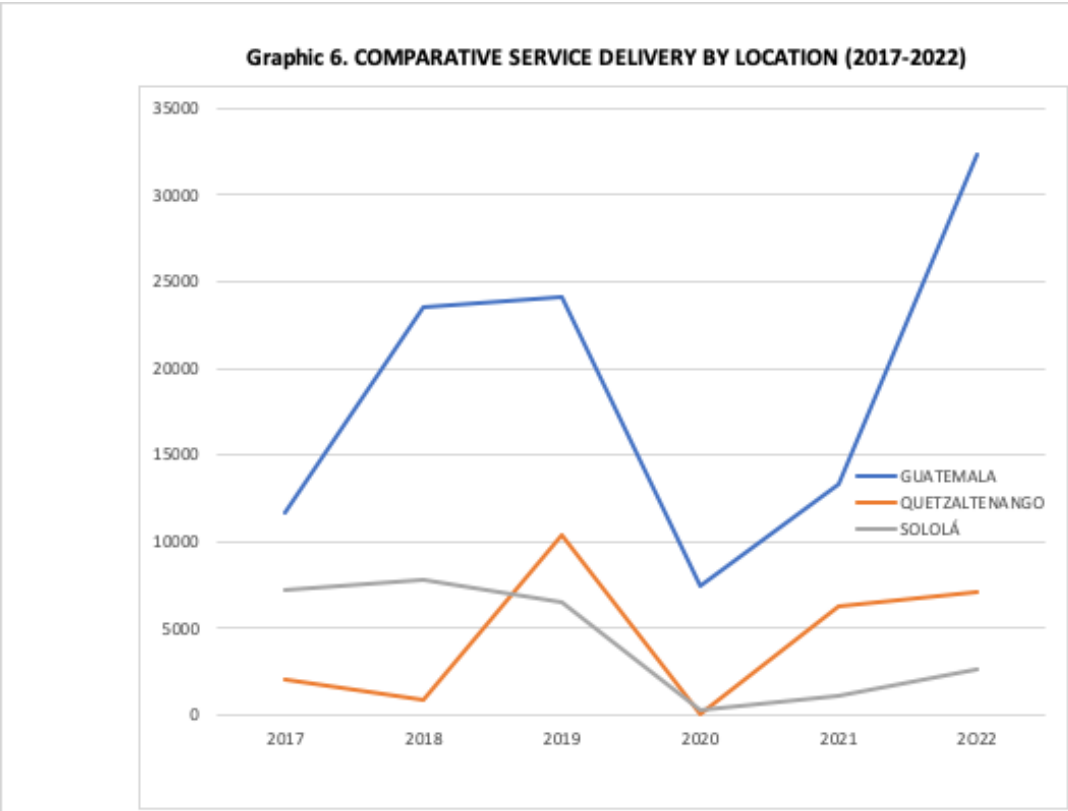
**Table 14. Services delivered by FSqE by location (2017– 2022)**

GUATEMALA							
SERVICES	2017	2018	2019	2020	2021	2022	TOTAL
Newborn Hearing Screening	238	1211	2551	1108	4435	14188	23731
Schools Hearing Screening	9362	5894	6949	1645	742	1585	26177
Audiological diagnosis	1030	14652	10948	3649	7124	15313	52716
Community hearing sessions	335	819	1267	421	447	388	3677
Hearing aid fitting \$ follow ups	420	730	764	519	422	479	3334
Trainings	340	272	1587	114	185	331	2829
TOTAL	11725	23578	24066	7456	13355	32284	112464
QUETZALTENANGO							
SERVICES	2017	2018	2019	2020	2021	2022	TOTAL
Newborn Hearing Screening	44	244	459	0	182	83	1012
Schools Hearing Screening	822	0	1104	0	5659	6353	13938
Audiological diagnosis	140	93	8290	0	133	209	8865
Community hearing sessions	299	44	107	0	0	194	644
Hearing aid fitting \$ follow ups	102	56	55	0	98	211	522
Trainings	690	384	390	0	225	87	1776
TOTAL	2097	821	10405	0	6297	7137	26757
SOLOLÁ							
SERVICES	2017	2018	2019	2020	2021	2022	TOTAL
Newborn Hearing Screening	0	163	193	54	308	326	1044
Schools Hearing Screening	7040	7158	5984	0	0	1831	22013
Audiological diagnosis	55	280	177	85	73	96	766
Community hearing sessions	70	227	0	117	579	358	1351
Hearing aid fitting \$ follow ups	0	0	0	8	62	50	120
Trainings	13	0	151	15	109	10	298
TOTAL	7178	7828	6505	279	1131	2671	25592
TOTAL							
SERVICES	2017	2018	2019	2020	2021	2022	TOTAL
Newborn Hearing Screening	282	1618	3203	1162	4925	14597	25787
Schools Hearing Screening	17224	13052	14037	1646	6401	9769	61129
Audiological diagnosis	1225	15025	19415	3734	7330	15618	62347
Community hearing sessions	704	1090	1374	538	1026	940	5672
Hearing aid fitting \$ follow ups	522	786	819	527	582	740	3976
Trainings	1043	656	2128	129	519	428	4903
TOTAL	21000	32227	40976	7736	20783	42092	163814

In all cases, apart from Quetzaltenango, the Schools Hearing Screenings have had a dramatic decrease. This has happened because public schools were closed in 2020 because of the pandemic and many of them remained closed or partially closed in 2021 and 2022.

In Sololá, this explains why services are still significantly lower than before the pandemic. Schools hearing screening was the main service provided in Sololá. In 2023 schools are going to recover the “normality” and will be opened since the beginning of the school year (at the end of January or beginning of February). It will imply that services in Sololá will start increasing significantly this year.

In Quetzaltenango, by contrast, this service wasn't that significant in previous years. In 2021, they started working on schools and have established a good alliance with the Education Ministry through CRIES (Center of Resources of Inclusive Education) and public schools' Directors and teachers of special schools in that region, reaching many students during 2021 and 2022 in those schools that were functioning.



## 7. SECTION IV: Conclusions and recommendations

### 7.1. CONCLUSIONS

The main conclusions related to the three sections developed in this study are as follow:

Regarding **FSqE's administrative capacity**:

FSqE has been gaining managerial and financial capacity. Currently has 16 staff members fully devoted, including the Director. All of them are being paid by FSqE. There are other 3 staff members who play a fundamental role and make part of the management team, who are still being paid by CEDAF.

FSqE's income generation from its own medical services has been increasing considerable since 2017. This trend was interrupted in 2020 because the pandemic context but being recovered the next years. In 2022, FSqE achieved 67% of its financial self-sustainability.

Improvements and progress are consistently reported in three areas: 1. Financial management; 2. Administration; 3. Human Resource management.

Governance is the area that should be strengthened to create a stronger and more independent organization.

Regarding **the economic efficiency calculation of the 4 local clinics**:

After looking reliable, realistic and tangible data, I came to the conclusion that three of them are able to cover their costs and work profitably after the project ends. Only one of them (Sololá) is not able to cover their costs because the huge poverty rate in that Department, mostly inhabited by indigenous people, a key target group of FSqE's services.

All clinics together reach the break-even point and the negative balance in Sololá could be covered by cross-subsidisation from the other clinics.

Regarding **the assessment of actual needs**:

After doing documentary research and looking to official reports it is clear that there is a real need and demand for the services to be provided to the direct target groups of FSqE in the Departments of Sololá, Quetzaltenango, Zacapa and Escuintla. The experience of FSqE in two of those places, Sololá and Quetzaltenango, also reflects the same.

During the field visits almost all interviewed people mentioned that there is no other organization doing a similar work in Guatemala, which implies that FSqE is recognized as a key organization providing hearing health services to population living in poverty and social exclusion.

Based on my findings, I conclude that FSqE is able to run the 4 local clinics in a cost-effective, sustainable, profitable, financially viable manner; and, FSqE has sufficient managerial and financial capacity to run the 4 local clinics independently (from CEDAF). However, there are some recommendations to be taking into account.

## 7.2. RECOMMENDATIONS

### FSqE's GOVERNANCE

- Strengthening the institutional governance of FSqE is a key issue that should be improved in order to engage other actors beyond the CEDAF members. It will allow to have a more representative constituency, more independence and more solid accountability systems in place.
- Executive functions (PR director) and control functions (President of the Board) must be separated and not be combined in the same person.

### RELATIONSHIP BETWEEN FSqE and CEDAF

- FSqE should employ the senior management team comprised by 4 directors for these positions independently from CEDAF. But then the issue of financing these positions in the long-term may arise. This could be managed as a smooth transition which could take place during two or three years after carefully analyzing where money could come from to cover these costs. Developing and implementing a fund-raising strategy to get more large donors supporting FSqE is recommended.
- CEDAF pays for salaries of 4 Directors but it is not being reflected as a financial contribution to FSqE in its financial statements. It should be reflected as a donation. It should be accounted for.

### ORGANIZATIONAL CAPACITY

- The area that requires more attention is governance because there are still strong interlinks with CEDAF and should be a more clear and adequate separation of personnel between the two entities. In addition, governance needs to be strengthened through a board of directors more independent of the management team with no family or personal relationships. There is also room for improvement to reduce the organizational dependence on the leader who could be gradually delegating more functions and responsibilities among other managers, while keeping presence and active participation.
- FSqE should carry out a financial audit annually.
- Procurement policy and procedures should be set up (currently this policy and procedures are in process to be finished and a draft document has been produced)

### OPENING PROCESS OF THE 4 LOCAL CLINICS

- The opening process of the 4 local clinics should be done progressively. It is recommended to start opening two clinics the first year of the project and the other two clinics later on, for instance during the second year of the project. Quetzaltenango and Sololá should be the ones starting sooner because the experience they have gained in those territories.



## **ANNEX 1. LIST OF DOCUMENTS SENT BY FSqE**

- Strategic Plan (2019-2023)
- Annual report 2021
- Annual Operational Plan 2022
- Institutional brochure
- Service delivery data 2009-2020
- FSqE's organizational chart
- CEDAF's organizational chart
- Certified minute of appointment of Doctor Patricia Castellanos as FSqE's manager and legal representative
- Comparative income statements (2017-2021)
- Certification of income (2017 -2021)
- Independent auditors' report (2020-2021)
- Accounting software data
- Comparative Payroll 2017-2022
- Asset inventory
- Internal work regulations
- Organizational administrative management policy
- Administrative manual of the administrative support department
- Administrative manual of the social work department
- Administrative manual of the Newborn Screening Officer
- Procurement and contracting policies and procedures manual
- Organizational policy for the comprehensive protection of children and adolescents
- Organizational workplace harassment policy
- Organizational behaviour policy
- Organizational image and clothing policy
- Human resources selection and recruitment protocol
- Job profile for General Director position
- Job profile for Audiology Technician position
- Job profile for Accountant position
- Annual collaboration agreement for 2022 with the Departmental Hospital of Sololá
- Annual collaboration agreement for 2022 with SOSEA and the Municipality of Panajachel

## Bibliography

I Encuesta Nacional de Discapacidad en Guatemala (ENDIS, 2016) / *(II National Survey on Disability in Guatemala (ENDIS, 2016))*.

XII Censo de Población y VII Censo de Vivienda en Guatemala (INE, 2018) / *XII Population Census and VII Housing Census in Guatemala (INE, 2018)*.

Análisis de Situación de los derechos de las personas con discapacidad en Guatemala, 2021 / *Situation analysis of the Rights of Persons with Disabilities in Guatemala, 2021*

La comunidad sorda y el acceso a la salud en Guatemala (Gibson research consultancy, 2020) / *The deaf community and their access to health care in Guatemala (Gibson research consultancy, 2020)*