PARTNERSHIP FOR TRANSPARENCY FUND

PHILIPPINES

Medicine Monitoring Project

Project Completion Assessment

Background

Since 2004 there has been a partnership between the Department of Health (DOH) and NAMFREL with a focus on the procurement, distribution and inventory management of medicines. In 2005 NAMFREL joined the Integrity Development Committee (IDC), DOH's anti-corruption unit, and NAMFREL volunteers also became members of the regional IDCs of DOH. In a further development in 2006 the partnership was expanded to cover hospital equipment and infrastructure. Recently DOH invited NAMFREL to join their Inspection and Acceptance Committee that ensures that deliveries are consistent with orders placed.

Against the background of this evolving partnership, NAMFREL approached PTF to support the Medicine Monitoring Project. On 12 June 2008 PTF approved a grant of $23,296 for the project to be disbursed in three tranches. During project implementation three progress reports were submitted and a completion report on the project prepared by NAMFREL was submitted on 24 November 2009.

This report assesses whether the purposes of the grant were achieved and attempts to draw out lessons for NAMFREL and PTF. The report is based on a review of available reports and on meetings with various individuals involved with the project, including Dr. Paulyn Rosell-Ubial, Assistant Secretary of the DOH and Chair of the Integrity and Development Committee.

The report addresses the following questions:

1. Has the project achieved its objectives?
2. What has been the project's impact? Can it be sustained?
3. What lessons can be learned from the project? What follow-up is needed?

Achievement of Project Objectives

The project was conceived as a pilot to test whether NAMFREL's extensive network of over 100 local chapters could be used to mobilize citizen in support of a more transparent and efficient system of procuring and stocking medicines in 8 hospitals and 3 Centers for Health Development (CHDs). The project aimed to engage and encourage communities to monitor the delivery of health services and to institutionalize such community monitoring.

The three principal activities that were to produce these results were:

1. Ensuring transparent and competitive public bidding. Volunteers would be trained on the Government Procurement Reform Act or RA 9184 and will then sit as observers during public biddings. They would also submit diagnostic reports to the chief of hospital or CHD director.
2. Preventing "ghost" deliveries, incomplete deliveries or substandard medicines. Volunteers would conduct random post-delivery checks of medicines to verify if medicines were delivered according to contract.
3. Ensuring timely dispatch of medicines to intended recipients. Volunteers would participate as observers to witness hospital inventory taking and make spot checks to determine whether hospitals maintain stock cards and proper storage of medicines.

NAMFREL used its local chapters as the kernel for engaging local communities in the areas where the 8 hospitals and 3 CHDs were located. The local NAMFREL team leader was in charge of recruiting and organizing the training of volunteers, and deploying them. Agreements were entered into with local CSOs to help identify and organize the volunteers. Engaging the local communities in this manner was generally successfully accomplished for the 8 hospitals but, for various reasons, not for the 3 CHDs as the schedules of the volunteers made it impossible to combine this with their regular jobs. There were also instances that communications from CHDs to volunteers arrived too late.

Impact and Sustainability

The main accomplishments of the project were that:

1. It demonstrated the feasibility of using local NAMFREL chapters to mobilize communities;
2. It demonstrated that the activities of the volunteers generate significant findings related to the way hospitals manage their budgets, to deficiencies in procurement practices, to pricing practices of pharmaceutical companies, and to shortcomings in stock keeping practices (details are in the project completion report).
3. It generated a range of recommendations to DOH to improve the systems for procuring and stocking medicines. The key recommendations are to develop a Code of Conduct for suppliers, to create a report-handling mechanism to ensure that the findings of monitors are acted upon, to develop a standard inventory system, to set up a data base for medicine price monitoring, and to issue an Administrative Order to all hospitals and health centers on the role of volunteer observers in the procurement process.

Significant challenges were encountered related to the reluctance of some of the hospitals to accept observers and, more generally, the rather passive attitude of DOH towards the

project. Project activities were 'tolerated' rather than welcomed. Another set of challenges relates to motivating the volunteer observers on a sustained basis and to find the financial means to compensate them for their transport and other cost.

The 8 communities set up under the project have continued to function and NAMFREL is now financing their cost from its own budget. While this augurs well for the continued function of the local communities it is important to find another source of financing. Critical to sustainability will be the attitude of DOH: if it comes 'on board' (as the Department of Education had done in the case of the textbook project) and recognizes the value of civil society involvement in its work then there is significant scope to build on the achievements of this pilot project and expand the activities to the other 72 hospitals in the country.

The ultimate measure of the project's success would be a decline in corruption in the procurement and stock management of medicines. The pilot project has not generated data to establish whether such a reduction did take place although there is anecdotal evidence that the presence of observers has acted as a deterrent to corrupt practices.

Lessons Learned, Replicability and Follow-up

The project has once more underscored the importance of a constructive relationship between a CSO and its government counterpart. The counterpart will have to move beyond a passive tolerance of the project activities and become a partner who shares the objective of eliminating corruption in this area.

The challenge of motivating volunteers to take on the time-consuming, tedious and sometimes dangerous task of monitoring public sector activities exists in many projects. Sustaining this motivation is even harder and the project suggests that nothing motivates more than seeing results from one's work. Volunteers are greatly encouraged if their findings are taken note of and acted upon.

It is important to try and assess the impact of projects such as this on corruption and NAMFREL suggests that a good data base of the prices of medicines would be very helpful in trying to get a handle on this. This is planned for the next phase.

The results of the project are sufficiently encouraging to consider an expansion of the work to a larger number of hospitals in the country. However this should depend on DOH accepting the systemic improvements recommended by the project. The feedback received from DOH on these recommendations (see item 3 above) was encouraging. This augurs well for NAMFREL's plans to expand project activities to another 21 hospitals and 7 health centers. NAMFREL has requested the support of PTF for a follow-up project and this is presently under consideration.

.

The experience with the project was presented by NAMFREL in Hong Kong during the OPENDOORS 2009, A Regional Forum on Procurement Monitoring as a tool for Social Accountability, attended by around 50 participants from CSOs, governments, media and donor agencies, drawn primarily from the East Asia-Pacific region. Most of the participants at the Forum have experience in fighting corruption, and several showed interest in replicating the concept and methodology of the project in their own countries.

Geert van der Linden
Manila, 16 February 2010