

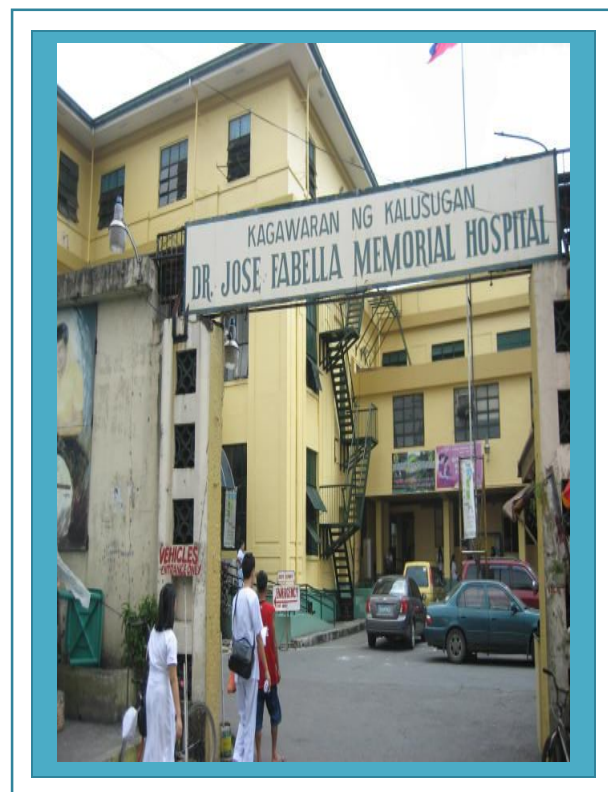
PROJECT COMPLETION REPORT NAMFREL'S MEDICINE MONITORING PROJECT

I. EXECUTIVE SUMMARY

This report recounts the implementation of the medicine monitoring project and assesses the outputs and impact of the project as outlined in the project plan (**Annex 1**). The report discusses the project activities, accomplishments, recommendations as well as the challenges encountered during its implementation.

The project was conceived to contribute in improving government's delivery of health services, in particular, the areas of procurement; delivery; and inventory of drugs and medicine supplies. It also aims to help improve the Department of Health's (DOH) hospitals and Centers for Health Development (CHDs) warehouse and storage room management system.

A major thrust of the project is focused on monitoring the hospital & health centers procurement. To ensure that the bidding would be more transparent and fair, NAMFREL conducted two-day reorientation training on the provisions of the Government Procurement Reform Act (GPRA) 9184ⁱ. NAMFREL volunteer participants were then deployed to work closely with the Bids and Awards Committee (BAC) of each participating hospital and CHD. The training was conducted to equip and refresh the volunteers with the necessary knowledge and skills on procurement legislation and rules. The training's intent was to encourage the volunteers' active and effective participation in the bidding process.



To enhance the value of monitoring and sustain its efforts, volunteers have been enlisted to commit to a second phase - the delivery of priority drugs and medicines. In this phase, the volunteers worked closely with the supply officers to do the actual or post monitoring of deliveries. This ensures that the medicine supplies have been delivered and received by the hospitals accordingly based on the contract specifications.

A third thrust of the project is to engage in monitoring the inventory of medicine supplies. In this stage, volunteers work with the hospital's pharmacy officers to make sure that those medicines would be allocated to the proper beneficiaries.

The presence of volunteers at all stages of procurement monitoring – bidding, delivery, and inventory – heightened the awareness and facilitated the transparency of business transactions at all times.

Despite the active participation of volunteers and the partnership of hospital and CHD BAC personnel, a host of challenges were encountered during the project implementation. Among them were:

- lack of and conflict of schedules of volunteers to participate in the activities of the project,
- some hospital BAC's were not able to invite volunteers in all stages of the bidding process,
- erratic schedules of suppliers in delivering the priority medicines, and
- no standard inventory report format used by the hospital and CHDs for tracking the drugs and medicines.

NAMFREL will have to immediately address these concerns in order to run the project effectively in the next implementation round.

In general, the project has made good progress towards its purpose completion and with several target outputs achieved.

Nevertheless, increasing the capacity in DOH hospitals and regional health office to prevent corruption is not the ultimate responsibility of NAMFREL alone. The participation and commitment of the community can make a difference in abating the concerns of corruption in medicine procurement.

II. PROJECT DESCRIPTION and SCOPE

Curbing corruption in the Philippines has been a perennial challenge and concern despite several governments and civil society organization (CSO) led anti-corruption initiatives. Scarce public funds and resources are being wasted while the basic services and programs intended to elevate to acceptable living standards of the public remain stretched and wanting.

The National Citizens' Movement for Free Elections (NAMFREL) is known for its advocacy of electoral reforms, but in between elections it has been actively engaged in anti-corruption initiatives through its Medicine Monitoring Projects (MMP), as well as for

the Textbook Count, for which NAMFREL mobilizes volunteers to monitor the distribution of textbooks in the provincial level.

The primary objective of the project is to improve the government’s delivery of health services by:

- Ensuring transparent and competitive public bidding,
- Preventing “ghost” and incomplete deliveries of priority drugs and medicines, and
- To ensure that proper and timely dispatch of priority drugs and medicines supplies to the right beneficiaries.

Since the inception of the MMP in 2004, NAMFREL embarked to implement full cycle monitoring in the DOH specifically in areas of procurement, delivery and inventory of priority drugs and medicines in 50 public hospital and 10 centers for health development out of 70 public hospitals and 16 regional health offices of DOH nationwide. And over 150 NAMFREL volunteers were engaged for the project, of which 50% were trained on the provisions of GPRA 9184.

In 2006, NAMFREL expanded its monitoring scope to include hospital supplies, medical & laboratory supplies and equipment, services and infrastructure project procurement. To expand this program, a grant agreement between NAMFREL and the Partnership for Transparency Fund (PTF) was signed to fund the implementation of full-scale project covering all stages of the procurement, delivery and inventory monitoring process. The grant is intended to support for 11 project sites comprised of 8 Retained Hospitals (RHs) and 3 Centers for Health Development (CHDs) namely:

Area of Assignment	Region
Baguio General Hospital & Medical Center	CAR
Corazon Locsin Montelibano Memorial Regional Hospital	VI
Dr. Jose Fabella Memorial Hospital	NCR
Dr. Paulino J. Garcia Research Memorial & Medical Center	III
Gov. Celestino Gallares Memorial Hospital	VII
Margosatubig Regional Hospital	IX
National Center for Mental Health	NCR
Research Institute for Tropical Medicines	NCR
Center for Health Development for Cagayan Valley	III
Center for Health Development for Calabarzon	IV
Center for Health Development for Mimaropa	IV

The target outputs of the full-scale implementation of MMP in 11 proposed project sites were:

- To attend all of the public bidding conducted by both RHs and CHDs in all of the 11 identified project sites,
- To monitor of at least 50% of the delivery and inventory of priority drugs and medicines, and
- To develop a standard project training module to support the local team leaders' in recruiting field volunteers.

To achieve these identified project objectives and outputs, NAMFREL employed the following requisite activities and these were:

- Entered into a Commitment of Support and Cooperation (CSC) with the Department of Health, **(ANNEX 2)**
- Endorsed the volunteers to the Chief of Hospitals and Director of CHDs,
- Employ simple monitoring tools,
- Use actual documents of the hospitals & regional health offices, and
- Evaluate the reports that have been submitted by volunteers to the NAMFREL project team,
- Closely coordinate with the project team leaders.

III. EVALUATION OF PROJECT FRAMEWORK

Significance of Project Framework

The project plan focused on improving government's delivery of public health services specifically in DOH retained hospitals and CHDs nationwide.

The project plan consists of three major components: (1) procurement, (2) delivery, and (3) inventory monitoring. The project's concept and methodology were designed to be simple, viable, and adoptable to aid in addressing concerns of corrupt practices in any government agency, in this case, the Department of Health and the communities where their centers are located.

The project employs simple tools designed to allow citizens' participation in facilitating transparency in procurement transactions, delivery and inventory of drugs and medicines and curtail corrupt practices in DOH hospitals and regional health offices nationwide.

Project Accomplishments

The following are the achievements of the project based on its set objectives and identified target outputs.

- ❖ NAMFREL project team developed a standard training module (**ANNEX 3**) that would consistently support NAMFREL observer team leaders to handle volunteers' training program at the regional and provincial level. This would aid in enlistment of potential volunteers who can support and implement the project at the hospital and regional health office.
- ❖ **Procurement: Php412.6 million** pesos of the total approved budget of the contract have been successfully monitored from February to December 2008, of which Php 212.3 million pesos of the total approved budget is for drugs and medicines alone.

Area of Assignment	Amt. Awarded	Amt. Monitored	Percentage %
BGHMC	94.6 M		
CLMMRH	7.4 M	3.8 M	51%
DJFMH	28.8 M	13.8 M	48%
DPJGMMC	12.2 M	11.6 M	95%
GCGMH	9.4 M	8.6 M	91%
MRH	7.4 M	.871	12%
NCMH	18.9 M	6.6 M	35%
RITM	.578	.436	75%
Total Amt	<u>179.6 M</u>	<u>57.7M</u>	<u>32%</u>

- ❖ **Delivery: Php57.7 million** pesos or 32% from the Php179.6 million pesos worth of medicines supplies were successfully monitored from January to June

Area of Assignment	Amt. Awarded	Amt. Monitored	Percentage %
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The report on delivery was based on the observations in 8 retained hospitals. Actual delivery monitoring of drugs and medicines is the idea of the project to ensure that those medicines were being delivered to the hospital is based and

Area of Assignment	Amt. Monitored	Recipient	Percentage %
BGHMC	1.9 M	charity/medicare	2%
CLMMRH	3.3 M	charity/medicare/sales	45%
DJFMH	5.6 M	charity/medicare	19%
DPJGMMC	10.3 M	charity/medicare	84%
GCGMH	6.2 M	charity/medicare	65%
MRH	19 K	charity/medicare	0%
NCMH	4.5 M	charity/medicare/sales	23%
RITM	.300 M	charity/medicare	52%

the contract terms.

- ❖ **Inventory: Php32.3 million** pesos or 18% of the distribution of priority drugs and medicine were accounted by NAMFREL from January to June 2009. Volunteers confirmed that priority drugs and medicines were properly allocated or distributed to the rightful recipient or hospital beneficiaries.

The inventory report was based on the 8 retained hospitals in Luzon, Visayas, and Mindanao. During the inventory monitoring, NAMFREL volunteers worked closely with Pharmacy Officers to look into the stock card and monthly inventory report of drug and medicines.

This would determine if those medicines were properly allocated to the beneficiaries. The reports reveal that most of the medicines were allocated to charity and medicare patients, as well as for sales in hospital's pharmacies. **(ANNEX4 distribution breakdowns)**

- ❖ **Warehouse Site Inspections:** NAMFREL volunteers conducted warehouse and storage site inspections to establish if there would be a proper storage and warehouse management system for the drugs and medicines in every public hospital.

Based on the results of the site inspection, NAMFREL volunteers observed that most of the public hospitals have poor storage system and warehouse facilities

like for instance in the Research Institute for Tropical Medicines (RITM), Alabang, Muntinlupa City. The hospital does not have a good storage facility were the boxes of medicines were properly stored was mixed with the hospital junk supplies.

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t findings by NAMFREL volunteers during the actual warehouse site inspections were:

- The warehouses and storage room of some hospital (BGHMC, RITM and DPJGMRMC) were not fully air-conditioned when in fact the medicines should be stored in a ventilated area to preserve the strength of the medicines.
- The medicines were not properly organized or they were placed congested on the shelves of the pharmacy, specifically in BGHMC. If this is the case, it would be difficult for the pharmacist to implement the first-in-first-out method of dispensing and distributing of drugs and medicines.
- The hospitals (RITM, DJFMH, CLMMRH and NCMH) do not have good storage facilities, where in fact the medicines were stored in the pharmacy office, which also is not fully air-conditioned.
- Some hospitals do not have their own refrigerator for preserving drugs and medicines. Some are totally defective. Like for instance in Dr. Jose Fabella Memorial Hospital where two refrigerators were defective.

The refrigerator that the hospital currently uses is loaned to them by one of their suppliers.

- The storage room of Research Institute for Tropical Medicines uses cardboard to block the sunlight.

C. Project Timetable

The project duration was initially for 9 months completion from June 2008 to February 2009. However, the implementation was extended on a no-additional basis through June 2009 due to the following reasons:

- Resignation of the initial project coordinator resulted in a three-month delay in implementation. The deployment of volunteers in the project commenced only in September 2008.
- Lack and delay in response of field volunteers.

* Timeframe – Monthly Schedules *

IV. PROJECT IMPACT AND IMPLEMENTATION

A. Involvement of volunteers

As observers in the bidding process, NAMFREL volunteers play a crucial task to ensure

Project Activities	Jun '08	Sep-Oct	Nov-Dec	Jan-Feb'09	Mar-Apr	May-Jun
NAMFREL-PTF contract signing	✓					
Consultation meeting		✓				
Training of GPRA 9184			✓			
Develop Standard Training module			✓			
Regular team leaders meeting			✓	✓		
Procurement monitoring	✓	✓	✓	✓		
Delivery monitoring				✓	✓	✓
Inventory monitoring				✓	✓	✓
Site Inspections						✓
Evaluation workshop						✓
Presentation to DOH IDC						✓
Preparation of final report						✓

that the process of the bidding is in accordance with the provisions of the GPRA 9184 through proper coordination. The idea of the project is to perform actual delivery monitoring to ascertain that drugs and medicines were delivered and accepted by the hospital accordingly. To perform this task, NAMFREL volunteers worked closely with the hospital's Supply Officer to get certain delivery schedules so that volunteers could perform the actual delivery monitoring of drugs and medicines.

In the inventory monitoring, NAMFREL volunteers worked closely with the Pharmacy Officer to make sure that the priority drugs medicines were distributed appropriately to the right recipient and beneficiaries.

B. Findings/Results of Project Implementation

- ❖ **RHs awarded the contract beyond the ABC** – Upon a review and analysis of the Notice of Award (NOA) obtained from the respective hospitals and regional health office, NAMFREL found that two procuring entities awarded the contracts beyond the total approved budget of the hospital. And the following hospitals were:

Hospital	Approved Budget of the Contract (ABC)	Amount Awarded
Baguio General Hospital & Medical Center	Php 90 million	<u>Php 94.6 million</u>
Margosatubig Regional Hospital	Php 11 million	<u>Php 11.1 million</u>

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project team consulted this issue with the hospitals concerned to allow them to clarify the incident prior to it being reported to the DOH central office for appropriate investigation and action.

- 1) **Baguio General Hospital & Medical Center (BGHMC)** - According to the Hospital's BAC, the:
 - Php90M total approved budget for medicines is just an estimate made by the hospital based on the General Appropriation (GA) & hospital income trust fund collections,
 - estimating the amount to purchased the medicines has been an observed practice ever since,
 - hospital do not disbursed money more than to what was approved for the fiscal year,

- the hospital has always reserved the right to increase or decrease the quantity of goods to be delivered depending on the needs of the hospital.

2) **Margosatubig Regional Hospital (MRH)** – According to the Hospital’s BAC chairman, the:

- the excess amount in Notice of Award (NOA) is subject for adjustments depending on the needs and influx of patients,
- what was reflected in NOA does not mean that hospital is compelled to procure the whole amount,
- the NOA is only an authority for the supplier to commence the delivery of the items, and
- the definitive document that is binding between hospital & supplier is still the Purchase Order (PO).

❖ **Hospital not issuing a Notice to Proceed (NTP)** – After a comprehensive evaluation of the report coming from the volunteers, NAMFREL noticed that 4 hospitals did not issue a NTP, particularly for drugs and medicines, as they claimed that the NTP is only applicable for infrastructure projects and not for the goods. The following hospitals which did not issue a NTP were:

- Baguio General Hospital & Medical Center
- Margosatubig Regional Hospital
- Research Institute for Tropical Medicines
- Dr. Jose Fabella Memorial Hospital
- Gov. Celestino Gallares Memorial Hospital

Section 37.5 of the implementing rules and regulations of GPRA 9184 states that, the procuring entity shall then issue the Notice to Proceed together with a copy of the approved contract to the successful within 7 calendar days from the date of the approval of the contract.

❖ **Hospital accepts medicines less than the required maximum shelf life** – Based on the delivery report of 2 hospitals, NAMFREL identified issuance of permits for the delivery of medicines that were less than the required maximum shelf life of 12 months interval between its delivery date and the expiration date. The hospitals were:

- Dr. Paulino J. Garcia Memorial Research & Medical Center
- Research Institute for Tropical Medicines

According to the Supply Officer of DPJGMRMC the hospital accepts medicines less

than the required maximum shelf life on the assumption that one month prior to its expiration all unused drugs and medicines will be returned to the suppliers for replacement.

On the other hand, the Pharmacy Officer in RITM admitted that the hospital accepting drugs and medicines less than a shelf life of 12 months prior to its expiration only if those medicines that were classified as fast moving.

- ❖ **Hospitals purchased medicines beyond the total quantity awarded** – After a thorough assessment of the delivery monitoring report from the volunteers, NAMFREL learned that there were drugs and medicines that were purchased by hospitals beyond the quantities actually awarded to the winning bidder. These findings were observed in five (5) retained hospitals, namely:

Hospital	Medicine	Qty. Awarded	Qty. Ordered	Supplier
BGHMC	Ibuprofen 400mg	500	2,500	Zuellig
DJFMH	Cefuroxime 750mg	2,400	7,100	Endure
DPJGMRMC	Tranexamic Acid 50mg	500	2,500	Micel Mktg
GCGMH	Cefuroxime 750mg	2,500	3,125	Cathy Drug
NCMH	Carbamazepine 200mg	840	1,150	Metro Drug

Table 1: Hospital purchased beyond the total quantity awarded

The Supply Officer of GCGMH clarified that the purchase of an additional 625 vials of Cefuroxime 750mg --- from the original contract of 2,500 vials --- complies with what is allowable in the law. This was also mentioned by the Supply Officer of NCMH.

Section 51 (d) of Implementing Rules and Regulations of GPRA 9184 states that “repeat order shall not exceed twenty-five percent (25%) of the quantity of each item in the original contract. Thus, the 625 vials of Cefuroxime 750mg is within the twenty-five percent allowable cap based on the original contract. The hospital has always conformed to what was in the GPRA 9184. The complete list of the results and findings is detailed in **(ANNEX 4)**

- ❖ **Suppliers offered different bid price of the same medicine in different DOH hospitals** - After an analysis of the bid price based on the Notice of Award (NOA) of drugs and medicines obtained from respective hospitals. NAMFREL noticed that bulk procurement of medicines did not lead to lower the bid price offered by suppliers to respective hospitals.

Hospital	Unit/Unit Cost	Qty	Region	Bidding Period	Supplier
DJFMH	15.22/vial	12,000	NCR	02-11-08	Endure
DPJGMRMC	14.62/vial	12,000	III	04-25-08	Endure
BGHMC	10.99/vial	3,000	CAR	10-10-08	Endure

For instance in the BGHMC the bid price of medicines **Metronidazole 5mg/ml, 100ml** were offered as low as **Php 10.99/vial**, compared with the DJFMH where the supplier offered a bid price of **Php 15.22/vial** for the same medicines, a much higher contract procurement bid compared to BGHMC.

Hospital	Unit Cost/Unit	Qty	Region	Bidding Period	Supplier
DJFMH	39.94/ampoule	18,000	NCR	02-11-08	Endure
DPJGMRMC	17.74/ampoule	2,000	III	04-25-08	Endure

Table 3: Nalbuphine HCL 10mg/ml, 10ml

Furthermore, the location of the hospital was not a determining factor in price competitiveness. The table 3 reveals that Endure offered a higher bid price to DJFMH, a fact that the hospital is located in the National Capital Region compared to DPJGMRMC which is situated in the Central Luzon.

- ❖ **Suppliers offered the same price of the same medicine in different hospitals** - After an evaluation of the bid prices of the drugs and medicines offered by the suppliers to the hospitals, NAMFREL project team found out that the suppliers offered the

same bid price of same medicines regardless of the hospital's location & distance from the suppliers' distribution center.

Moreover, the size of the procurement contract obtained was not leveraged by the hospitals to get a better price from the suppliers.

C. Project Evaluation Workshop

The evaluation workshop was conducted after all the activities of Medicine Monitoring Project were completed. The workshop was held in Pope Pius XII Catholic Center on 19 June 2009. Participants were hospital's officials, team leaders and volunteers from Luzon, Visayas and Mindanao.

Messages were delivered by Ambassador Henrietta De Villa of NAMFREL and Mr. Redempto Parafina of Partnership for Transparency Fund (PTF). The messages were followed by a presentation by the NAMFREL project coordinator of the project's accomplishments.

Highlighted in the evaluation were the difficulties met by the volunteers in the whole duration of project implementation.

Hospital	Unit Cost/Unit	Qty	Region	Bidding Period	Supplier
BGHMC	469.29/vial	800	CAR	02-11-08	Hospira Phils.
DPJGMRMC	469.29/vial	200	III	04-25-08	Zuellig
MRH	469.29/vial	25	IX	12-05-08	Zuellig

Table 4: Thiopental Sodium 1gm

Besides being an evaluation, the workshop was an opportunity to acknowledge the contribution of volunteers and partner medical institutions to achieve the project's

objectives. A project assessment was covered to discuss difficulties encountered and provide recommendations to further enhance other phases of the monitoring project for the next round of implementation.



D. Project Site Inspections

The project site inspection was another significant phase added to the Medicine Monitoring Project. It aimed to help the Department of Health improve the storage room or the warehouses of the hospitals and regional health. NAMFREL could help DOH by providing timely and actual situation of storage and warehouse management system at the field level.

The site inspections took place to help DOH identify the optimal solution to develop efficient storage and warehouse management systems in the hospitals and regional health offices across the country.

And the priority conditions that were identified during site inspections were:

❖ Retained Hospital

- the storage room in Baguio General Hospital and Medical Center is not fully air-conditioned, when in fact the medicines should be stored in a ventilated area to preserve the strength of the medicines.



medicines in the BGHMC were not properly organized or they were placed congested at the shelves of the pharmacy.



- Despite of having the storage room CLMMRH, NAMFREL volunteers observed that there were boxes of medicines stored at the defective storage room.



- the DJFMH did not have good storage facilities. The medicines were stored in the pharmacy office that was not fully air-conditioned.



- The refrigerator for preserving drugs and medicines in DJFMH were defective. The refrigerator that the hospital currently uses was loaned to them by one of their suppliers.



- The storage room of the pharmacy in RITM where boxes of drugs and medicines were properly stored was mixed with the hospitals junk supplies.

❖ Center for Health Development

The CHDs is responsible for field operations of the Department of Health in its administrative region to provide efficient and effective medical services. It is tasked to coordinate with regional offices of the Department, agencies as well as with the local governments unit.

NAMFREL volunteers had able to perform an actual monitoring in CHD for Mimaropa. However, volunteers from CHDs for Calabarzon and Cagayan Valley failed to execute the project due to tight schedules at the office.

Based on the output of NAMFREL volunteers in CHD Mimaropa it found out that delivery of drugs and medicines is the challenge of the center. Under CHD for Mimaropa there are 2 DOH hospitals and 5 provincial health offices are being managed by the center. Their task is to monitor the delivery of priority drugs and medicines in five provinces, namely:

- | | |
|-----------------------|---------------------|
| 1) Mindoro Occidental | 2) Mindoro Oriental |
| 3) Marinduque | 4) Romblon |
| 5) Palawan | |

Delivery of medicines to the province is one of the difficulty of the CHDs. The mode of delivery that currently used are through (1) hand carry; (2) pick-up; (3) direct delivery and (4) "pakisuyo" system. These modes of delivery are being adopted to cope with budgetary constraints of every DOH CHD offices nationwide.

Upon inspection, the state of the CHDs warehouse, volunteers recommended for immediate maintenance repair and improvement of warehouses. Like for instance the supply rooms' refrigerated cooler which needs immediate replacement to prevent deterioration and wastage of stored drugs and medicines.

D. Sustainability

To sustain and broaden the gains of the medicine monitoring project, a number of challenges and constraints have to be addressed. Foremost, among them are improving volunteer participation and management given limited resources and improving the capacity of the local volunteers to adopt and implement the project in their respective communities.

The following approaches are suggested by to improve and sustain the Medicine Monitoring Project. These were:

- **Continue partnership between NAMFREL and DOH** - The project will be carried out effectively if there would be continued partnership and support at the national and local levels of the DOH and its retained hospital and centers for health development nationwide.
- **Improve volunteer commitment** – An active and committed volunteer is the core of successfully implementing a monitoring project. Beyond remuneration, the volunteer has to realize that his contribution would improve the quality of services being extended by local health institutions and contribute to making medicines affordable in the community.
- **Providing resource & capability building support** – The project can be sustained if there would be continued support from funding agencies and from various sectors in the community where the project is being implemented. While volunteers offer their time and effort in implementing the project, financial resources are still required to partially off-set volunteers' lost income and transportation expenses on scheduled monitoring activities. The project management team must also improve its capability and efficiency in project management and implementation through continuous review and training of its personnel.
- **Developing metrics to measure impact** – to determine the extent and impact of the project on the partner institution and the community, the project management team should develop a score card and other appropriate metrics to determine the success of the monitoring effort.

V. ASSESSMENT AND RECOMMENDATIONS

As a whole, the project achieved its purpose and target outputs within the period implementation. The MMP project helps DOH to make the procurement process in all public hospital and center for health development more transparent and fair. It also facilitate in making the delivery of medicines accurate to the hospitals.

Another contribution made by MMP to DOH is to provide the real situation at the field specifically on the condition of every storage room and warehouses of every public hospital for DOH to come up an efficient management system in maintenance of the drugs and medicines.

This kind of initiatives empowered the active participation of Civil Society Organizations and other Civic group to speak and expose corrupt practices in the public hospital and regional health office of DOH.

And above all, it has been able to address corruption issues and public concerns when it comes to health. And it also elevates the commitment and dedication of individual concerned citizens to instigate corruption practices in the government agencies.

Challenges Encountered

Several challenges were encountered in the project implementation. However, these did not deter the volunteers from pursuing and implementing the project. Among the problems encountered were:

- **Resignation of the project coordinator** – The resignation of the initial project coordinator resulted in a delay in commencing the project roll-out. NAMFREL secretariat designated a new project coordinator to assume the management in implementing the project.
- **Hospital's BAC reluctant to NAMFREL volunteers** – Some hospitals were reluctant to include NAMFREL in the BAC proceedings as regular observers. Most had the impression that the presence of monitoring volunteers was to check on the performance and uncover wrong doings of BAC members. A number failed to appreciate that the volunteers' presence and task was to aid in making the procurement process more transparent.

To address this issue the MOA between NAMFREL and DOH was presented and explained to the chief of hospital and to the BAC members prior to the volunteers' deployment. By seeking the support of the hospital chiefs and local BAC chairmen, NAMFREL volunteers were authorized to sit down as official observers during the bidding process.

- **Lack and conflict schedule of volunteers** – Recruiting volunteers was a major challenge. NAMFREL had difficulty enlisting volunteers to commit to the project on a long term and on-call basis. Managing the deployment of volunteers was also a challenge since most of the qualified and trained volunteer observers have full time work or day jobs which often run in conflict with the bid schedules.
- **Volunteers are not invited in all stages of the bidding** – despite the proper coordination of NAMFREL volunteers with the hospitals BAC secretariat. Some volunteers were not invited to all the stages of the bidding process. According to volunteers they were only invited by the hospital during the pre-bid conference, submission and opening of bids. This violates Section 21 of the GPRA which requires the participation of third party observers in all stages of the bidding.
- **Erratic delivery schedule of the supplier** – prior to the announcement volunteers

of NAMFREL cannot be provided the exact date of delivery due to unpredictable schedules of the suppliers. As a result some NAMFREL volunteers failed to perform the actual monitoring. However, to resolve this setback, the NAMFREL project team instructed the volunteers to shift to the “post delivery” monitoring. In this mode, volunteers obtain and examine the Purchase Orders and the Delivery Receipts to validate the delivery and to ensure that the medicines were delivered to the hospital based on the contract.

Recommendations

In implementing the Medicine Monitoring Project, NAMFREL was able to identify the challenges in areas covered to improve the future implementation of the project.

NAMFREL recommends the following to address the challenges encountered and ensure attaining the project's objectives in the next round of implementation.

Department of Health

- To establish and implement a code of conduct for the suppliers in the hospitals procurement activities to promote fair, transparent and ease in the bidding process.
- To create a report-handling mechanism that would properly address the observations that have been forwarded to respective hospital and regional health office.
- To develop a standard inventory system to be used by the hospital and regional health office to improve on the tracking of medicines and other hospitals supplies and equipment.
- To develop a reliable and accessible database for drug and medicine price monitoring. The database will provide bid price estimates and comparative price information. This will support the BACs budget preparation in coming up with reasonable bid price per medicines for a competitive bid from prospective suppliers.
- To issue a Memorandum Order or Administrative Order both for hospitals and center for health development to abide by Section 13 of GPRA 9184 which states that observers must be invited in all stages of the bidding to enhance the transparency of the process. Currently, most NAMFREL volunteers are limited in their participation upon the advise that they are

only invited by the BAC during the pre-bid conference, submission and opening of bids.

- To develop storage management and logistics program for the improvement of storage and warehousing to ensure the quality and efficacy of delivered medicines.
- To create a monitoring and evaluation team who will work closely in the implementation of the management system program to improve storage and warehousing of drugs and medicines in every hospital and CHDs.

Next Steps

NAMFREL will continue to work with its local chapters and volunteers in the expansion of the Medicine Monitoring Project in their respective communities.

Some of the key future activities planned for the Medicine Monitoring Project in the next round of project implementation are:

- Involve more retained hospitals and centers for health development for the full implementation of project (procurement, delivery & inventory). This would broaden the reach and impact in the community and the DOH.
- Develop a database for comparative bid pricing for drugs and medicines. This will be used as primary reference by hospitals and regional health center in determining the bid price for public bidding.
- Develop a comprehensive strategy in the recruitment and management of volunteers to sustain their commitment and improve deployment.
- Develop and improve existing monitoring tools designed for ease of use and to capture relevant information observed and aid in generating comprehensive reporting.

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Appendixes

- ANNEX 1 : Proposal and Project plan
- ANNEX 2 : Commitment of Support and Cooperation between DOH and NAMFREL
- ANNEX 3 : Standard Training Module for the project
- ANNEX 4 : Distribution Breakdown inventory of medicines
- ANNEX 5 : List of detailed results and findings of monitoring
- ANNEX 6 : List of trained NAMFREL volunteers on the provision of GPRA 9184
- ANNEX 7 : Consolidated notes of consultation meetings conducted from September to October 2009
- ANNEX 8 : Minutes of the NCR project team leaders' meeting
 - o November 21, 2008
 - o February 17, 2009
- ANNEX 9 : Materials distributed to NAMFREL volunteers

