

Speech of David Zuellig
During the Regional World Health Summit
Session on “Innovative Philanthropy in Health”
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Distinguished guests
Ladies and gentlemen

During a family event in Manila, Health Minister Enrique Ona of the Philippines invited the Zuellig Family Foundation to a unique partnership. Could we also lower the maternal mortality ratio in 609 priority local government units? We had done this previously in 30 partner-municipalities, bringing down their maternal mortality ratio closer to 52, the target of the 2015 Philippine Millennium Development Goal.

The invitation was a most welcome development for us. It meant that in just four years, we had created a health change strategy that can now be applied nationwide.

Family Background

But first, let me backtrack a bit to explain my family’s history in the Philippines. It was in 1901 when my grandfather came to Manila from Switzerland in search of business opportunities. He eventually had his own trading firm and started raising a family. His sons, my father Stephen and uncle Gilbert, were born in Manila, studied abroad and returned to the Philippines to help run the business. World War II damaged the firm but the brothers rebuilt it. Later, the company shifted to healthcare, expanded, and diversified across the Asia Pacific region.

Involvement in Philanthropy

Our long involvement in healthcare inevitably led us to focus on health when we decided to put up a foundation. It was in 1997 when the Pharmaceutical Health and Family Foundation was established. The Foundation looked after the health needs of communities surrounding our company facilities south of Manila. Later, the Foundation promoted health advocacies and trained health professionals in management.

Health for the Poor

In 2008, the Foundation was renamed the Zuellig Family Foundation. The new name underscores the fact that the Zuellig Family Foundation is now the family’s vehicle for philanthropy. It was about this time when my father expressed his wish to address the health of the poor. This was timely because health indicators had plateaued. Unless major interventions were initiated, they were unlikely to improve.

Back in 1991, health services in the Philippines were devolved to local government units. The national government no longer delivered healthcare directly to the grass roots. But local

mayors were unprepared for the new responsibility, and most had insufficient resources to maintain quality health services. These resulted in serious health inequities between income classes.

Focus on Rural Health and Local Leadership

Among the poor, access to health services is usually limited to those offered in rural health units. But the key to a better rural health system is the mayor, who has the authority to implement ordinances to improve the level of manpower services and budget in the health sector.

The Zuellig Family Foundation therefore focused on health leadership and local governance. It was important for the mayors to understand the urgency of improving the local health system. But while this was logical, it was actually counter-intuitive. Local politicians are generally perceived as being unresponsive to the health needs of their constituents.

Health Change Model

To get started, the Zuellig Family Foundation adopted a “Health Change Model,” based on the belief that better health outcomes are achieved if people have better and equitable access to effective and affordable services. Access can be improved using responsive institutional arrangements with committed local leaders. The key here is local executive leadership.

The Health Change Model had two major interventions. One, a health leadership and capacity-building program in governance, and two, a framework for improving the local health system to make it accessible and effective.

Testing the Model (2009-2013)

We began piloting the model in 2009 in nine rural municipalities. The following year, a second set—Cohort 2—was run in municipalities found to have heavy health burdens, specifically, high maternal and infant deaths. The next set—Cohort 3—was composed of municipalities in the Autonomous Region in Muslim Mindanao, an area relatively underdeveloped due to years of armed conflict.

Health leaders in these municipalities went through a two-year leadership and governance training program, followed by a six-month practicum after each of the four modules. The practicum gave the health leaders a chance to apply what they had learned so far, to make the needed reforms in financing, workforce, health services, access to medicines, and health information systems. Each month, the Zuellig Family Foundation collected health statistics in these municipalities, including those on maternal and infant mortality.

The results showed that the maternal mortality ratio can be significantly reduced in just two years to meet the country’s Millennium Development Goal target. The maternal mortality ratio, by the way, provides sentinel information on the quality of a health system.

Aside from these 30 municipalities, the Zuellig Family Foundation currently works with 64 other municipalities, eight of them considered as GIDAs—or Geographically Isolated and Disadvantaged Areas.

Challenge of Sustainability

As you might imagine, sustainability is a continuing concern in our program. Sustainability requires local leadership to embrace health as a continuing priority, despite electoral changes.

After the 2010 elections, three mayors from Cohort 1 were replaced. Fortunately, their successors continued the program, and have reduced infant and maternal deaths even further to zero for the past two years.

Sustainability is a planned intervention that requires a combination of changes.

A continuity protocol must be established. Members of the community need to know that it is their right to receive quality healthcare. Policies that support the continuation of health programs must be in place. The motivation to improve health must come from leaders and the community itself, with or without external influencers.

In the Philippine mid-term election next month, 20 out of the 30 municipal mayors we have worked with, are up for re-election. There will be some changes in the leadership, some new mayors coming in. These new mayors too will undergo an updating process.

Communicating with the Public: the Philippine Health Outlook Forum

Although the Zuellig Family Foundation prefers to keep a low profile, it conducts a series of public forums to communicate its ongoing efforts to improve the local health system. Attended by senior health leaders in government, the private sector, the academe and non-government agencies, the forum is also used by the Minister of Health to announce new initiatives, policies and programs. This forum is also our way of encouraging partnerships.

Partnerships

In fact, it was during the 2012 forum that partnerships were forged with the United Nations Population Fund, Merck Sharp & Dohme (MSD) and the Ministry of Health (MOH). The UNFPA wanted us to complement its technical health and family planning interventions by providing health leadership and governance interventions to governors and mayors from nine provinces.

The MSD meanwhile partnered with the Foundation to bring our programs to 21 geographically isolated and disadvantages areas (or GIDAs) in Samar, an island in central Philippines. The joint initiative would hopefully make local leaders more proactive in reducing maternal deaths in impoverished communities.

Mainstreaming with the Ministry of Health

The Health ministry has always recognized the vital role that local chief executives play in a devolved health system. Unfortunately, the ministry has come up short in giving capacity

building assistance to mayors to turn them into active health reformists. But the Health minister realized what our Foundation has been doing. He saw how drastically the Maternal Mortality Ratio fell in our partner-municipalities. And so came the Health minister's invitation for the Zuellig Family Foundation to mainstream our leadership and governance program throughout the Philippines.

Our decision to focus on local health leadership and governance has borne fruit. Health became the Foundation's niche, and its successful program might yet prove to be a strategic intervention useful to the entire country.

Challenges: From the town to the nation

This partnership opportunity with the Philippine Health ministry is too good to pass, but it will be very challenging.

The first challenge is the scale. While the Zuellig Family Foundation has the capacity to deal with 94 municipalities, dealing with 609 local government units is a big leap. Not to mention that we're dealing here with a bureaucracy. Over 600 ministry personnel must get the knowledge and skills needed to guide local officials in improving their health systems.

To deal with this huge number, we must partner with reliable academic institutions across the country to run the training for the 609 municipalities. The training involves over 1,300 provincial and municipal officials.

There is also the issue of budget. This three-year program will cost almost US\$20 million, a significant amount that will be shouldered by the government, the Foundation and other partners.

In this partnership, the Zuellig Family Foundation must also act as a bridge, that links the national and regional levels of the Ministry of Health to local, provincial and municipal governments. Both national and local government units must create new institutional arrangements to improve local health. This can be made possible by the Foundation's integrative set of interventions available to national, regional, provincial and municipal health actors.

There is no doubt that the challenges we face in this partnership are formidable. But fortunately for us, the political climate is conducive. The health leadership is supportive, and its bureaucracy responsive. Local government units are committed as well.

This program will have a three-year window, from 2013 to 2015, to produce substantive results that, in turn, will establish the sustainability that can withstand political changes.

Lessons

Looking back, I was pleasantly surprised to realize that health outcomes have improved faster than I thought was possible. In the process, the Foundation has also attracted partners who wanted to use our approach.

The Zuellig Family Foundation's philosophy is to focus on its area of expertise. In this case, the focus is on health. Health is a basic need, and one where the Foundation can contribute significantly. The focus was further refined into rural health, because of great inequities in rural areas. This became both challenge and opportunity for the Foundation, which hopes to have a strong impact on the country.

Another lesson learned is the need to identify a strategic intervention. The Foundation initially had reservations about engaging local health executives. But it was essential in this case. To mitigate the risks, we identified and worked with local executives who have a genuine commitment to address health reforms.

The third lesson is that a systems approach to development is crucial to success. The Foundation could have opted to use short term program interventions that meet a legitimate need, without addressing the very system that produces that need. But we felt that this was not a sustainable solution.

Lastly, the Zuellig Family Foundation realized the need for a long term perspective. We envision a continuing relationship with our local government partners, based on trust and accountability. We know that transforming systems would take time. So we are committed to stay with these leaders as they improve the health systems in their areas, and achieve sustainable health outcomes. This relationship gives us the opportunity to have depth in our programs. This means working for improvements not only in the MMR and IMR, but in communicable and non-communicable diseases as well.

The Zuellig Family Foundation looks at the health and governance approach as our contribution to nation-building. As our partners, this cadre of responsive local chief executives, move into higher offices, they can use our leadership and governance framework to address other development challenges. Hopefully, they would become development multipliers with contributions that go beyond health.

Thank you and good afternoon.