



# Strengthening the Supply Chain Governance Framework for Pharmaceuticals and Health Products in the Philippines

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The key to building an effective and sustainable supply chain system is a well-functioning supply chain management (SCM) governance framework with clear structures, roles, responsibilities, and accountability. The Department of Health (DOH) Philippines is ultimately responsible and accountable in ensuring access to quality health services through implementation of the Philippine Health Agenda 2016-2022. An effective and sustainable supply chain is essential for DOH to provide access to safe, quality, and cost-effective pharmaceuticals and health commodities for all Filipinos.

To establish a well-functioning supply chain, DOH Philippines created the Supply Chain Management Unit (SCMU) in March 2016. This SCMU was divided into the Core Operational Group and Technical Working Group (TWG). The overarching functions mandated for the SCMU include managing day-to-day SCM activities, coordinating with offices involved in SCM, and providing guidelines and standard operating procedures for various SCM functions.

However, since the creation of SCMU, governance challenges have surfaced that hinder the effective execution of its duties, such as:

- Roles and responsibilities of all supply chain stakeholders within DOH and terms of reference are not clear
- Coordination between supply chain stakeholders is weak
- Organizational structure is not aligned with identified functions for SCMU
- HR capacity is inadequate



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## APPROACH

The Systems for Improved Access to Pharmaceuticals and Services (SIAPS) Project, funded by the US Agency for International Development, helps countries promote access to safe, quality, and cost-effective pharmaceuticals and health commodities by using a system strengthening approach that engages stakeholders, builds and strengthens existing health systems, or establishes a new one, if necessary.

SIAPS strengthens pharmaceutical governance by working with the DOH and all in-country stakeholders involved in managing the supply chain to define roles, responsibilities, and accountability as well as to identify the critical steps moving forward to implement positive changes in the system. SIAPS ensures the involvement of all partners during the whole process. The overall goal is to promote stewardship for DOH and enable continuous, sustained progress.

## INTERVENTION

To start, SIAPS conducted a thorough desk review of previous assessments and DOH's various internal SCM policies. Next, SIAPS helped coordinate meetings with various DOH offices to identify and validate current experiences in SCM and to obtain recommendations to strengthen SCM governance of DOH.

The different offices consulted were the Office for Administration, Finance, and Procurement (OAFP); Office for Technical Services (OTS); and Office for Policy and Health Systems (OPHS). These offices are involved in the whole supply chain, which involves selection, procurement, distribution, and use. The more-specific offices (which fall under OAFP, OTS, and OPHS) involved during the consultations were:

- Administrative Service
- Procurement Service

- Logistics Management Division
- Finance and Management Service
- Health program units (i.e., National Tuberculosis Control Program, Family Health Office)
- Health Emergency Management Bureau
- Pharmaceutical Division

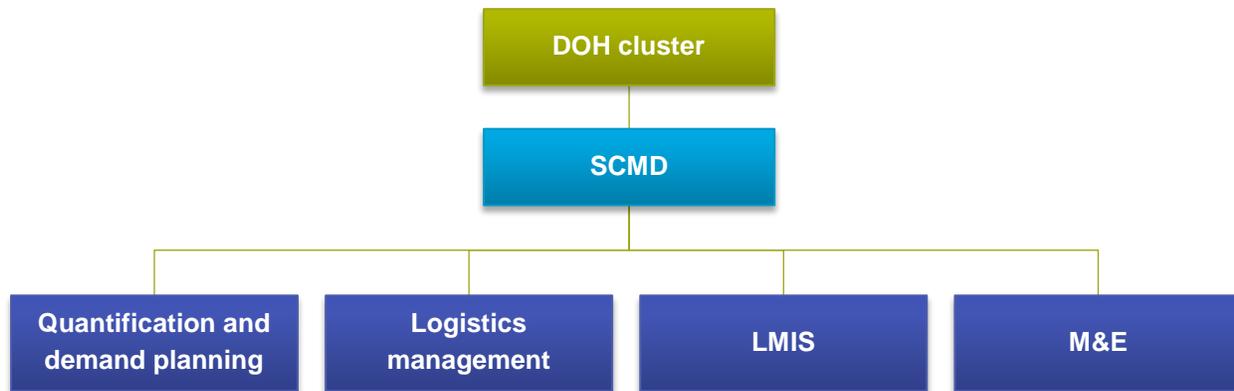
Both management and technical staff participated in these consultations; all inputs were gathered and used to create the governance framework and build recommendations for moving forward.

Finally, with assistance from SIAPS, the DOH organized a consultation workshop with all stakeholders within DOH to present preliminary results. During the workshop, stakeholders provided their comments and inputs for the draft terms of reference of the governance framework.

## RESULTS

As a result of the support, SIAPS created the recommended governance framework, considering the best practice standards as well as the unique context of the country. The governance framework included the terms of reference, which proposes to create a Supply Chain Management Division (SCMD) as a management structure responsible for overseeing all supply chain activities within the Philippine public health supply chain. The SCMD will be involved in system strengthening interventions and will serve as the primary focal point for all supply chain activities. Specific roles and responsibilities as well as the recommended organizational structure were also defined in this framework.

In addition to supporting the SCMD management structure, the framework defines the specific roles and responsibilities of DOH offices involved in the supply chain, thereby increasing clarity, promoting coordination between various offices, and harmonizing and aligning SCM initiatives.



**Recommended structure for DOH Philippines to strengthen SCM governance**

Finally, to complete the whole chain, the roles and responsibilities of DOH regional offices, provincial and local government units, and health facilities in SCM were also defined to emphasize the critical role they play at the local level and align initiatives up to the primary health care level.

**WAY FORWARD**

DOH’s next step is to lobby for leadership support and political will to create and sustain the proposed SCM governance structure. Support from DOH top management will be most critical to ensure the success of this initiative.

Continuing discussions should be held to implement short-term changes in SCM governance as well as facilitate establishment of this structure in the long term. A policy supporting the recommended governance framework should be created and resources for operationalization should be provided. Once established and operational, DOH Philippines will be in a better position to manage the whole public health supply chain and to ensure access of all Filipinos to quality products and health services.

**ABOUT SIAPS** | The Systems for Improved Access to Pharmaceuticals and Services (SIAPS) program works to assure access to quality pharmaceutical products and effective pharmaceutical services through systems-strengthening approaches to achieve positive and lasting health outcomes. SIAPS is funded by the US Agency for International Development (USAID) and is implemented by Management Sciences for Health.

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