

## The Power of



"If you're a persevering Mayor, even without the help of the National Government, you can pursue your health programs."

Mayor Allandatu Angas of Sultan sa Barongis, Maguindanao

"Before, I didn't have any initiative; I just do what the Integrated Provincial Health Office told me to do. After my training, I started to gain an initiative on how to bring down the maternal death rate, and also how to encourage people to visit the health center."

Dra. Agustina Almirante, Municipal Health Officer, Datu Paglas, Maguindanao

"I was not yet an official then, but I was already helping improve the health situation in Bacolod as a volunteer. When I became a Sangguniang Bayan member, I formed the Committee on Health and got all 16 barangay councilors as members. Through our monthly meetings, we are able to find out the health problems of the barangay and the health programs of the LGU."

Effimaco Duhaylungsod, Municipal Councilor, Bacolod, Lanao del Norte



# The Power of

In photo: Dao health leaders (center) led by Mayor Joselito Escutin, Municipal Health Officer Dra. Humbelyn Horneja, and Vice Mayor Loreto Eslaban

### Dao, Capiz: 2011 Galing Pook Awards Finalist

Health was not a priority issue of the local government unit (LGU) of Dao, Capiz. But after the municipality was included in the pilot batch of the Zuellig Family Foundation's Community Health Partnership Program (ZFF-CHPP), the LGU began to have a better appreciation of health issues and started taking the lead in introducing innovations in the areas of maternal and child healthcare, nutrition, and health information. It has since increased its budget allocation for health and expanded the membership of its Local Health Board and PhilHealth programs. Expectant mothers were closely monitored and taught about pre- and post-natal care. The creation of Nanay Buhay Alagaan (NBA) Teams contributed significantly to the zero maternal and infant deaths in 2010 and 2011. The LGU also regularly sent health workers, including midwives and barangay health workers, to attend skills upgrade training and professional education courses. It also reactivated a feeding program for pre-school and school children to reduce malnutrition. With an improved healthcare program in place, Dao's residents are now in better shape than before. In 2011, Galing Pook Foundation – which has been recognizing innovative practices by LGUs since 1993 – made Dao a finalist in the Galing Pook Awards for Outstanding Local Governance Programs.

### About Zuellig Family Foundation

The beginnings of the Zuellig Group go back to 190I, when Frederick E. Zuellig (1883-1943), just 18 years old, sailed to Manila in search of business opportunities. He joined a Swiss trading company as junior manager and soon proved to be a capable businessman.

In the 1910s, he became a partner in Lutz & Co., a name well known in the Philippines since the 1860s. In 1922, he acquired the firm and incorporated it as F. E. Zuellig, Inc.

After World War II, his sons, Dr. Stephen Zuellig and his late brother Gilbert Zuellig (1918-2009), both born in Manila, expanded the business internationally and developed a dynamic set of autonomous businesses.

The Zuellig Family Foundation (ZFF) is rooted in the distinctive context of the Zuellig family's enterprises in the Philippines. The Foundation's vision evolved from a tradition of individual philanthropic engagements and the corporate citizenship of the Zuellig Group of companies.

In carrying out the Zuellig family's mandate to address specific deficiencies in community healthcare, ZFF has gone beyond conventional grantmaking and performs an active institutional role in the social development and progress of the Philippines.

In 1997, the Zuellig Group announced the establishment of the Pharmaceutical Health and Family Foundation during the inauguration of the state-of-the art manufacturing plant and distribution center of Interphil Laboratories, Inc. and Zuellig Pharma Corporation in Canlubang, Laguna. The Foundation initially aimed to address the health requirements of local communities in the neighborhood.

In 2001, the Foundation was re-named the Zuellig Foundation and given a broader scope by consolidating selected social responsibility programs of the Zuellig companies in the Philippines.

To respond more effectively to the challenges of the Philippine health sector, the Foundation recast its strategies to strengthen the capabilities of the country's public healthcare systems and improve access to healthcare for the poor, especially in rural areas.

This strategic reorientation coincided with the repositioning of the Foundation's institutional identity.

To denote its autonomy from the business operations of the Zuellig Group, the Foundation adopted a new name: Zuellig Family Foundation (ZFF). It concentrates its efforts and resources on the specific philanthropic mission articulated by the Zuellig family: to promote effective and sustainable healthcare systems in the Philippines, with an emphasis on primary healthcare services in rural communities.

ZFF stands as a defined manifestation of the Zuellig family's desire to sustain a legacy of making healthcare an operative factor of nation building and improving the quality of life for all Filipinos.

### Vision

To be a catalyst for the achievement of better health outcomes for the poor through sustainable healthcare programs and services, with a primary focus on health inequities in rural areas of the Philippines

### Mission

To enhance the quality of life of the Filipino by focusing on the achievement of targets in the country's Millennium Development Goals for health, in partnership with government and other stakeholders in the health sector

### **Objectives**

- Empower and build the capability of communities and individuals
- Train local health leaders to establish equitable and effective local health systems and to be responsive and accountable for better health outcomes for the poor
- Disseminate information to health leaders and professionals as well as to healthcare institutions
- Advocate equitable policies in public health
- Form partnerships with other agencies
- Establish better access to affordable, high-quality essential medicines for poor communities

### Zuellig, one of 48 Heroes of Philanthropy



Brothers Gilbert (left) and Stephen Zuellig (right)

Forbes Asia Magazine, a leading regional publication, named Dr. Stephen Zuellig, 94, retired Chairman of the Zuellig Group, as one of the Philippines' four heroes ranked among the "48 Heroes of Philanthropy" in 2011. The magazine article reads: "Together with late brother Gilbert, who built the business with him, he shifted the mission of the Zuellig Family Foundation to public health advocacy in 2008. Its 16 staffers work with civic leaders in 9 municipalities to lower infant and maternal mortality rates and otherwise improve healthcare. Family has donated \$5 million so far." The recognition received by Dr. Zuellig further emboldens the Zuellig Family Foundation to seek more effective ways of bringing reforms in rural communities where improvements in health outcomes matter most.

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### Message from the Board of Trustees

1 Dr. Stephen Zuellig Founder

#### **BOARD OF TRUSTEES**

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### 2011 marks the final stretch in the race towards meeting the eight Millennium Development Goals (MDGs) by 2015.

A decade and a year after our country made the commitment along with the 190 member states of the United Nations, eradicating extreme poverty and hunger by 2015 remains an elusive goal.

In particular, one indicator where the country's MDG performance suffers is the maternal mortality ratio (MMR), expressed as the number of maternal deaths per 100,000 live births. We share the view that the MMR is a "sentinel information" reflecting the health well-being of a society, that is why it is an important MDG indicator. Unless drastic interventions are made, the Philippines will meet this target only by 2043 – 28 years past the MDG deadline of 2015, the United Nations Population Fund (UNFPA) estimated.

Access to reproductive healthcare services is virtually non-existent in 24% of the country's rural areas, where two-thirds of the poorest live, according to the National Demographic and Health Survey of 2008. Many rural families farm small plots of land and depend on often-meager harvests for food and income. They are disproportionately burdened by malnutrition and illness, and have limited access to hospitals, schools, sanitation systems, and clean water.

Statistics from the Food and Nutrition Research Institute's 7<sup>th</sup> National Nutrition Survey in 2008 also indicate that as many as 3.35 million children suffer from one form of malnutrition or another. The impact of this is staggering, as mortality of children under five is one of the direct consequences of the lack of proper food among poor families.

To address these problems, the Department of Health (DOH) has allocated P15 billion in the last two years for better facilities to improve maternal health outcomes. These include provinces with high health burdens including urban areas such as Metro Manila, Cavite, Pampanga, Cebu and Davao City.

It is doubtful, however, whether the government's supply-side interventions are sufficient to meet the MMR target by 2015. Work on the demand side must be done at the same time, specifically by improving local health leadership and influencing traditional health-seeking behavior to ensure that people, especially the poor, actually use health facilities and services.

This reality raised the urgency for the Zuellig Family Foundation (ZFF) to get involved and shift its priorities.

#### **Shifting priorities**

In 2008, our Board of Trustees initiated a review of the Foundation's objectives in relation to the country's health situation. We recognized that health inequities need to be addressed systematically in order to achieve meaningful and lasting impact.

This led to a strategic reorientation inspired by the Zuellig principals, Stephen and his late brother Gilbert, who share the Filipino people's dream to get out of the clutches of poverty.

The decision to focus on rural health systems came naturally: since the 1900s, the Zuellig family businesses have always been associated with the healthcare sector.

To respond more effectively to the challenges of the Philippine health sector, the Foundation recast its strategies and focused on the following:

- We identified five priority regions in the country where poverty incidence is highest and health indicators are the poorest. Based on public data, we found that most of the lagging provinces are in the regions of Bicol, Mimaropa, Eastern Visayas, Zamboanga Peninsula, and the Autonomous Region in Muslim Mindanao. We are focusing the Foundation's programs in these regions to boost the country's chances of attaining its health MDGs.
- So as not to lose sight of our journey, the Foundation, in partnership with local health leaders, created the Health Change Model, which serves as our road map to public healthcare reforms. The model aims to help local chief executives, municipal health officers and other health professionals, and community leaders, improve health systems that will produce targeted health interventions and generate better health indicators. It also keeps the Foundation's work relevant and its efforts sustainable. All the resources of the Foundation were devoted to these areas.
- We focused on strengthening the health leadership in our priority areas and started working closely with the heads of these local government units to address the issue of health inequity. Recognizing the need for more responsive, equitable and sustainable health programs and services, we help transform local leaders the mayor and the municipal health officer into healthcare champions. We believe that effective health leadership alone could easily provide an additional 5-10 percent in the annual municipal health budget which will fund the construction of needed facilities such as birthing clinics or maternal homes, facilitate the recruitment of another team or two of the nurses in rural health units, and make available more essential medicines for indigent patients.
- In addition to maternal and child healthcare, we also extend our interventions
  to other areas that could lead to better health outcomes. These include
  improving community nutrition, water, sanitation and hygiene that
  consequently lower cases of infectious diseases. As part of the Corporate
  Network for Disaster Response, the Foundation also runs a Community
  Disaster Response Program to help victims who are most vulnerable to
  health-related impacts of natural and man-made disasters.
- We must also continue putting a spotlight on the country's healthcare issues and its performance on MDGs on health to engage more Filipinos to take

urgent action. We have started this initiative with the Philippine Health Outlook Forum, which we organized as an annual event since 2010 to serve as a public venue where both government and private sector stakeholders discuss the state of health in the country and form partnerships to work toward a shared goal of addressing health inequities.

#### **Showing results**

Being the only corporate foundation in the country that tracks health outcomes against the MDGs on health, the Zuellig Family Foundation is positioned to play a critical role. Our experience in the past three years has raised hopes that there is still something that can be done to address the country's growing healthcare problems. Since 2009, the Foundation has been enhancing health leadership and governance in 30 municipalities that have subsequently improved their health indicators. (See graphs on page 9.)

The collective MMR in the target municipalities was 160 In 2008. This has been dramatically reduced to 60 by 2011. By 2012, this is expected to further go down and hit the MDG target. This dramatic turnaround did not happen without a plan.

#### **Our strategy**

In 2008, the Foundation started its development strategy called the Health Change Model, which is patterned after the World Health Organization's "Six Building Blocks" of health systems. This model recognizes that local leadership—chief executives, health leaders, community leaders—is the key to changing systems and innovating programs that can lead to better health outcomes.

The strategy calls for first addressing healthcare issues on a micro level, involving government and health leaders in rural towns. ZFF selects municipalities that are in dire need of health interventions. Once chosen, local leaders are given proper training and capacity-building programs. The Foundation believes that these leaders know better what their municipality needs, and are in a better position to design their own health reforms and elevate healthcare as a priority need in their municipalities.

Alongside the enhancement of health leadership is the improvement in the health-seeking behavior of poor communities. Local community members are not only taught about health programs, they are also encouraged to take part in planning appropriate health programs. Empowerment of locals ensures sustainability of health gains.

By turning local leaders into health champions, the benefits from ZFF's initiatives are cascaded to other healthcare workers, down to the barangay (village) level.

#### **Expanding partnerships**

Through our Community Health Partnership Program (CHPP), municipalities not only benefit from mentoring, but also gain access to various innovative programs and best practices on health, as well as health infrastructure and equipment support.

Municipalities are also able to tap ZFF's growing network of partners, composed of civil society and non-government organizations that share our health advocacy. These include: Synergeia Foundation for education, CARD-MRI for livelihood, corporate foundations such as Jollibee Foundation for nutrition programs, and academic institutions such as the University of Makati, and the University of the Philippines-School of Health Sciences in Palo, Leyte that can provide LGUs with capacity-building and technical assistance in health governance. This network expands ZFF's reach and impact to provide additional resources and assistance for rural health. In addition, ZFF has also forged strategic alliances with government agencies (the Department of Health and the Department of Social Welfare and Development) to address health problems in the Zamboanga Peninsula and Maguindanao.

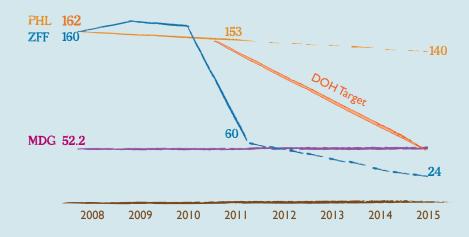
#### Meeting the challenge

We hold no illusions that we can do it alone. We must be able to mainstream our Health Change Model and encourage Public-Private Partnership (PPP) among government agencies, local government units, and private development organizations. Not only is this critical in meeting the country's MDGs on health, but also in sustaining equitable and responsive health systems well beyond 2015.

### ZFF Performance

### MATERNAL MORTALITY RATIO

Number of deaths of mothers per 100,000 live births (includes forecasts for 2012-2015 by the United Nations Population Fund)



### INFANT MORTALITY RATE

Number of infant deaths per 1,000 live births (includes forecasts for 2012-2015 by the United Nations Population Fund)



Sources: United Nations Population Fund, Field Health Services Information System, DOH, ZFF

### Numbers that Matter

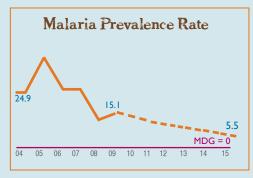
### THE SITUATION

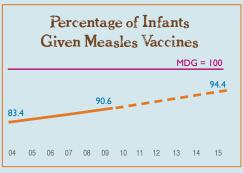
70% Percentage of the Philippine population, mostly poor Filipinos in rural areas, without access to healthcare services

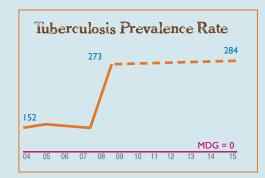
1,712 Number of additional doctors
needed to achieve the desired ratio of
1 doctor for every 20,000 people in
rural areas (current ratio: 1 doctor = 35,234
people in rural areas)

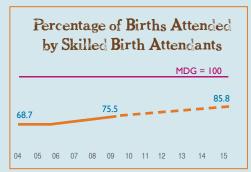
### Other health MDGs and how the Philippines is performing

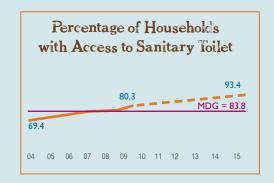
These indicators fall under MDG Nos. 4 to 7. Projections by Zuellig Family Foundation based on the government's historical data were made to show the likelihood for the Philippines to attain the targets by 2015.

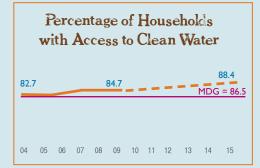










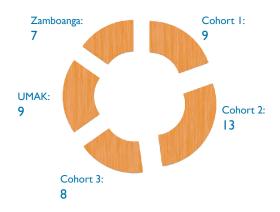






### WHERE WE ARE (2009-2011)

Number of municipalities with ZFF interventions



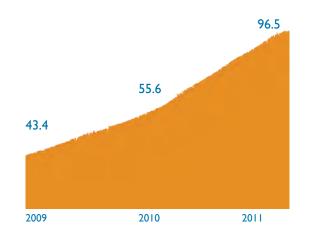
Number of municipal leaders taking the University of Makati's Certificate Program in Public Health Governance sponsored by ZFF (from nine municipalities)

Number of municipalities in Zamboanga Peninsula with ZFF health initiatives

Number of health facilities (including construction of birthing stations and health stations, and Rural Health Unit renovation)

### Php 195.5 million

Actual ZFF investments in municipalities

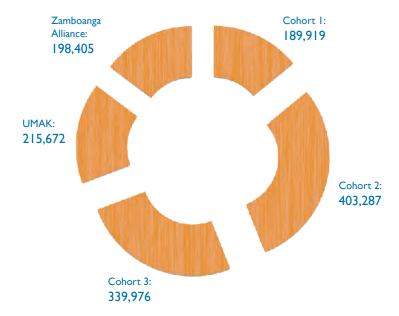


### Numbers that Matter

### 1.34 million

Number of people in rural communities reached by ZFF health initiatives

(Source: 2010 Census)



### 328

Number of health leaders (includes mayors, municipal health officers, community leaders, governors, provincial health officers, and DOH and PhilHealth officers) who received training from ZFF (2009-2011)

1,831

Number of people (midwives, nurses, barangay health workers, volunteers) trained through ZFF's Continuing Professional Education program (2009-2011)

608,137

Number of residents benefitting from 34 ZFF-sponsored health facilities in 23 municipalities



Members of ZFF's Board of Trustees visit the students of a public elementary school in Padre Burgos, a fourth-class municipality in Quezon province which benefits from the partnership of ZFF and Jollibee Foundation's school-based feeding program that aims to keep malnourished kids in school.



### Healthy delivery gives birth to new hope among Minalabac mothers

On the morning of May 24, 2011, Carol Marcaida felt cold even though it was summer. About to deliver her third child, she was no longer a stranger to the discomfort of pregnancy.

By 4 a.m., she had started to get contractions. Her husband, a conductor of a jeepney plying the Minalabac-Naga route, was just about to leave their home. She wanted him to stay, but she knew a false alarm would cause the family a day's worth of wages and food on the table. Anyway, she said, the neighborhood *hilot* (traditional birth attendant) was just a text message away.

Like her, most mothers in Barangay Hobo Zone 2 in Minalabac, Camarines Sur, have gotten to rely on the neighborhood *hilot*. After all, the village healer was the only one they got.

While always facing the risk of complications, these mothers have learned to surrender their fate. "What else can we do? Life is really like that," Carol said.

But the 23-year-old mother of three knew that day was particularly blessed. Her delivery coincided with the inauguration of the birthing clinic in their barangay, and no other than the Mayor would be there to grace the occasion.

When neighbors rushed her to the birthing clinic, Mayor Leovegildo Basmayor assured her: "Don't worry, I have a doctor with me."

Hearing those words calmed Carol's nerves. Not only did it turn out to be the most comfortable delivery she had, but was also one enlightening and life-changing event for Carol.

For one, she had nothing to worry about the quality of health services at the clinic, which had a midwife, ten helpers and two rooms that can accommodate two simultaneous deliveries. "At the clinic, I felt so confident that I will have a hassle-free delivery and my baby will come out healthy and safe," she said.

When she was discharged the next day, Carol was wheeled to her house a few minutes' walk away. She also decided to name her newborn child Maria Zuena, after the Zuellig Family Foundation that helped build the birthing clinic.

With the birthing clinic in Minalabac, Carol said mothers can now confidently bring out their children into the world, with less pain and risks. "Finally, mothers in Minalabac can now deal with their pregnancy more confidently and comfortably, knowing there's a clinic we can go to," she stressed.



Minalabac is a fourth-class municipality in Camarines Sur in the Bicol Region with a population of 48,162. It is one of the 13 municipalities under Cohort 2 of ZFF's Community Health Partnership Program.

### Numbers that Matter



2 ZFF clinics built in 2011

Total no. of deliveries

1,037 (2010)

1,145 (2011)

Maternal Mortality Ratio

(2010)

(2011)

Maternal death cases

(2010)

(2011)

Infant Mortality Rate

6.75 (2010)

75 (2011)

Infant death cases

7 (2010)

(2011)



### Young doctor's deep passion leads to better municipal health outcomes

Three years of genuine passion for duty turned a fourth-class town from a consistent poor performer into a regional model for best health practices.

In 2011, the municipality of Cajidiocan in Romblon was recognized by the Department of Health (DOH)-Center for Health Development IV-B for its breakthrough strategies in attaining the Millennium Development Goals.

Behind the programs that led to the dramatic turnaround in the town's health situation is a young female doctor named Dr. Heidee Exconde. Fresh from medical school, she joined the "Doctors to the Barrio" program of the DOH and was assigned to Cajidiocan in 2008.

"Service providers should have the heart and the passion for what they do," Dr. Exconde said during the DOH awarding ceremony.

The lady doctor has shown just how powerful passion can be after turning 12 non-functional barangay (village) health stations into well-staffed, well-equipped health facilities. Six of these were upgraded into birthing facilities.

She also facilitated the accreditation of the Rural Health Unit with Philhealth, which became the province's first "3-in-1" facility equipped with a maternal care package, TB-DOTS and Out-Patient Benefit accreditations.

When Dr. Exconde took over a post that had been vacant for three straight years, Cajidiocan's health scorecard was studded with red, which indicates failing marks in meeting desired government standards. Undaunted, the doctor formulated the "K.K.K. Program," which stands for "Kabarangay para sa Kauswagan ng Kalusugan." This three-pronged strategy empowered village leaders to initiate health programs, led to better health facilities, and training programs for barangay health workers.

Dr. Exconde credits the Zuellig Family Foundation for changing mindsets on health outcomes, especially among the local leaders. "LGU (local government unit) support has now become more visible," she said.

These changes have led to vast improvements in the town's maternal mortality ratio since 2009. There are also more facility-based deliveries, deliveries done by skilled health personnel, and households with access to safe drinking water. Tuberculosis prevalence has also been going down.

From a health scorecard riddled with red, an entire town is now in the pink of health, thanks to one doctor's passion.



Cajidiocan, Romblon is a fourth-class municipality in the province of Romblon that has a population of 21,198. It falls under Cohort 2 of ZFF's Community Health Partnership Program.

### Numbers that Matter



ZFF clinic built in 2011\*

Total no. of deliveries

460 (2010)

406 (2011)

Maternal Mortality Ratio

**217** (2010)

**246** (2011)

Maternal death cases

(2010)

1 (2011)

Infant Mortality Rate

21.74 (2010)

1232 (2011)

Infant death cases

10 (2010)

**5** (2011

\*Another clinic under construction as of end-2011



### Subanen mayor shows the way to taking ownership of health issues

It's not everyday that one sees a local chief executive who easily admits to the sordid state of his town, let alone issue a cry for help.

But Mayor Daylinda Sulong of the municipality of Lapuyan in Zamboanga del Sur is not your traditional leader.

"Lapuyan can use a lot of help. We need and welcome all the help that we can get," the Mayor said about the state of her town, a fourth-class municipality on the southwestern tip of the province by Dumanquilas Bay.

Town residents subsist on coconut farming. As a result of limited economic opportunities, the town's health picture continued to be bleak. The local government did not have a structured health strategy, facility-based delivery was practically unheard of, especially among the Subanen members of the community who make up 80% of the town's population, and very few people had PhilHealth coverage.

In 2010, the partnership between Zuellig Family Foundation and the local government of Lapuyan began, with the help of various partners and stakeholders, including the Department of Social Welfare and Development and the Department of Health.

"When ZFF came, we started addressing what we needed to do," said the Mayor. "They conducted training programs for our health personnel. For our part, we took ownership of health issues."

This entailed sharing of responsibilities down to the barangay level and "opening their eyes" regarding their roles and involvement in improving the health of our people, Mayor Sulong explained.

The health initiatives are geared toward maternal healthcare. There is also an ordinance mandating all deliveries to be made in the rural health unit. No one is allowed to give birth at home or else penalties shall be imposed on the facilitating "hilot," the expectant mother, husband and/or guardian/parents, and the barangay officials and/or barangay health worker.

"We used to encounter a lot of resistance when it comes to facility-based deliveries. We understand that our indigenous groups have rituals and beliefs before delivery. We try to explain to them the risks, and we have made progress" the Mayor said.

By 2012, there will be new birthing clinics constructed with the help of ZFF. The town even mounts a "Buntis Congress," where all pregnant women gather to learn about the importance of prenatal care and follow-up.

Soon, Lapuyan hopes to duplicate this success story as it develops partnerships with more organizations. Mayor Sulong said she plans to run for a third and final term to guarantee the continuity of the programs, and if only to witness the fruits of her town's coordinated efforts.



Lapuyan is a fourth-class municipality in the province of Zamboanga del Sur that has a population of 26,175. After adopting ZFF's Community Health Partnership Program, the municipality has been able to record zero maternal and infant deaths.

### Numbers that Matter



ZFF clinics built in 2011\*

Total no. of deliveries

**424** (2010)

414 (2011)

Maternal Mortality Ratio

236 (2010)

(2011

Maternal death cases

(2010)

(2011)

Infant Mortality Rate

7.08 (2010)

(2011)

Infant death cases

3 (2010)

(2011)

\*Another clinic under construction as of end-2011



Balindong is a fourth-class municipality in Lanao del Sur in Mindanao. It is one of the eight municipalities under Cohort 3 of ZFF's Community Health Partnership Program and has since reduced its maternal death cases to zero.

### Numbers that Matter



Total number of deliveries

463 (2010)

**235** (2011)

Maternal Mortality Ratio

648 (2010)

(2011)

Maternal death cases

3 (2010)

(2011)

Infant Mortality Rate

4.32 (2010)

8.51 (2011)

Infant death cases

2 (2010)

2 (2011)

### A community rises to reverse the tide of health inequity

Even before her town's partnership with Zuellig Family Foundation, Mayor Raysalam "Raysa" Mangondato of Balindong, Lanao del Sur said health has always been a priority of her young administration.

"When I was campaigning, I saw with my own eyes what areas needed focusing. There were a lot of malnourished children, and I heard stories of too many mothers dying from childbirth. I told myself, 'I had to do something.' This couldn't continue."

When ZFF partnered with the municipality in 2011, Mayor Mangondato said dramatic changes started to take place in her town. After undergoing ZFF-sponsored leadership training, she was able to seek alternative funding sources for needed health projects. The municipal government was also able to expand the Local Health Board to include the supervisors of district hospitals and civic organizations. "I finally understood that one person can't do it alone," Mayor Raysa said.

A massive information drive was launched in an effort to change people's aversion to seeking medical help. Leaflets were distributed during Friday prayer, and even the "imams" (high priests in Islam) were engaged.

In fact, Ali Salic of the Balindong Imams League said a recent health Islamic seminar gathered more than 60 *imams* from all 38 barangays to make sure that their initiatives really reach the

grassroots. The response had been positive, Mr. Salic added.

"We asked them if they can mention something about our health programs in their sermons," he said. "This is important because the religious leaders are very influential in the communities. We especially wanted to reach out to men with pregnant wives."

Mayor Mangondato's initiatives also got a major boost with the construction of a birthing clinic. Since 80% of the town's roads were paved and meticulously maintained, she said all barangays, including those in the upland, were able to access the facility. Special kits were given out to mothers who would give birth in the facility, in addition to constant prenatal monitoring from barangay health workers.

Mayor Raysa believes health initiatives have to go hand-in-hand with economics for the initiatives to be sustainable. The construction of electric deep wells, for instance, will provide livelihood to people as well as uplift the quality of health and sanitation in the barangays.

"Our stakeholders become more engaged because they see results," she said.





Pinabacdao is a fourth-class municipality in the province of Samar. Under Cohort 2 of ZFF's Community Health Partnership Program, two health stations in two barangays had been constructed in the municipality, which has a population of 14,492.

### Numbers that Matter



ZFF clinics built in 2011

Total no. of deliveries

404 (2010)

394 (2011)

Maternal Mortality Ratio

743 (2010)

(2011)

Maternal death cases

3 (2010)

(2011)

Infant Mortality Rate

2.48 (2010)

(2011)

Infant death cases

(2010)

(2011)

### Village workers help win the war for better health outcomes

In Pinabacdao, an empowered group of barangay health workers has started a slew of initiatives that not only improved the town's health picture, but also produced far-reaching effects beyond the boundaries of the municipality.

From the designation of barangay health worker specialists to a small-scale health insurance program, these projects have become possible by a stronger sense of camaraderie and innovation, said Ma. Rosario "Baby" Achazo, Barangay Health Workers Federation President in Pinabacdao.

When Pinabacdao partnered with ZFF in 2010, the local health board was reorganized, taking into account the community worker's vital role in policy-building in the municipal level. Barangay health worker (BHW) specialists, a brainchild of the mayor and the local health board, were honed in leadership. This new system replaced a system where unmotivated BHWs lacked focus and coordination.

The local groups of specialists meet as often as possible, which makes them prepared to take on the bigger battle in health, Baby said.

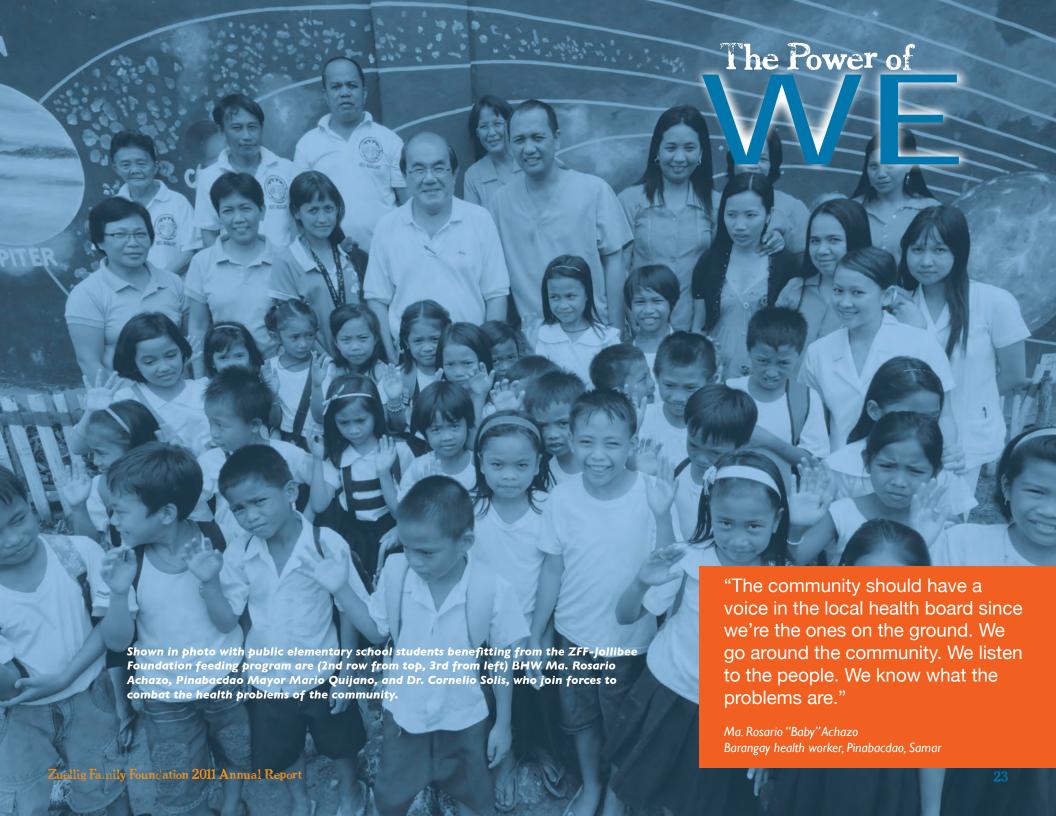
In 2011, Pinabacdao launched the "Piso Ko Kalusugan Natin" program. For a P1 monthly contribution, members are entitled to several benefits, including discounts in hospital services and tests and a modest financial assistance during hospitalization. From the

pilot two barangays, membership now spans nine barangays. In less than a year, more than 50 "Piso" members were able to avail of financial help.

BHWs played a critical role in ensuring the success of the program by regularly monitoring maternal health, tuberculosis, and sanitation, with each handling a set of households. They also talked to midwives and community members during routine home and clinic visits.

The program is purposely tied with other key areas in community development, such as proper garbage disposal, education, even gender sensitivity. The town has big hopes for "Piso Ko." The target is to launch it in the remaining 10 barangays in 2012. Eventually, they hope to be better than the state-run Philhealth in terms of benefits.

It might sound like a simple change, but considering the strides it has made in Pinabacdao's health picture, a journey of a thousand miles indeed begins with a small step.





**HEALTH CHAMPIONS.** (L-R, first row) Francisco Billano (ZFF Trustee), Daniel Zuellig (ZFF Trustee), Roberto Romulo (ZFF Chairman), Health Secretary Enrique Ona, Oriental Mindoro Governor Alfonso Umali, Jr. (President of the League of Provinces of the Philippines and Union of Local Authorities of the Philippines), Ernesto Garilao (ZFF President), Health Undersecretary Teodoro Herbosa, and Philippine Business for Social Progress Executive Director Rafael Lopa show a united front at the 3rd Philippine Health Outlook Forum 2011.



# Forging partnerships to build a healthy nation

### The Public-Private Partnership (PPP) model can also play a role in the achievement of the Philippines' MDGs on health by 2015 and beyond.

When it comes to the Public-Private Partnership (PPP) model, the Philippines is considered one of the most experienced, having been the first country in Asia to have a legal framework through the Build-Operate-Transfer (BOT) Law of 1990. From having one of the largest PPP of public water utilities in the developing world to the expressway project and even the Civil Registry System Information Technology (CRS-IT), successful PPP projects abound in the country.

This is why the PPP model is also being considered as key in the government's effort to achieve the country's Millennium Development Goals on health. While PPPs are currently focused on health facility enhancement, there are also other areas where the private sector can come in, said local health officials and socioeconomic experts who participated in the 3rd Philippine Health Outlook Forum on December 13, 2011.

The Forum was organized by the Zuellig Family Foundation, in cooperation with the Department of Health (DOH), the Union of Local Authorities of the Philippines (ULAP), and the Philippine Business for Social Progress (PBSP).

The annual Forum brings together key stakeholders from various sectors of society "to throw the widest and clearest light on the Philippine health situation," said ZFF chairman Roberto R. Romulo. Health decision makers and professionals discuss and exchange information on critical health issues for relevant, long-term and sustainable action toward addressing health inequities.

Among the guest speakers was Health Secretary Enrique T. Ona who underscored the role of the private sector in achieving the DOH's priority health reform agenda and in attaining the country's Millennium Development Goals (MDGs) by 2015.



HEALTH LEADERS. Vice President Jejomar C. Binay (center) supports rural health initiatives by ZFF and its partner-local chief executives. In photo (L-R): Mayor Leila Arboleda (Looc, Romblon), Dean Ederson Tapia (University of Makati), Raymund Rosuelo (Callege Secretary, University of Makati), Mayor Felipe Yap (Ivisan, Capiz), Mayor Mel Nacario (Calbiga, Samar), Roberto Romulo (ZFF Chairman), VP Binay, Mayor Benjamin Maggay (Cervantes, Ilocos Sur), Ernesto Garilao (ZFF President), Mayor Francisco Langi, Sr. (Motiong, Samar), Mayor Rico Rentuza (St. Bernard, Southern Leyte), Mayor Ricardo Aquino (Ragay, Camarines Sur), and Mayor Tito Codoy, Jr. (Llorente, Eastern Samar).

### 'All maternal and child mortality could be prevented' – Binay

Philippine Vice President Jejomar C. Binay said "all maternal and child mortality could be prevented" if mayors can be transformed into health champions and initiate needed health reforms such as reactivating their local health boards, institutionalizing health policies, and implementing innovative programs that all lead to better health outcomes.

The government has expressed support for a program aimed at helping local chief executives and their municipal health officers (MHOs) develop their leadership capacities in order to achieve the Millennium Development Goals on heath.

Launched in June 2011, the program was a partnership between Zuellig Family Foundation and the University of Makati (UMAK). Nine mayors and their MHOs comprised the first batch of local health leaders taking up a two-module, 12-month Certificate Course in Public Health Governance at UMAK.

The first batch of mayors are from the municipalities of Cervantes in Ilocos Sur, Ragay in Camarines Sur, Looc and San Andres in Romblon, Ivisan in Capiz, Calbiga and Motiong in Samar, Llorente in Eastern Samar and St. Bernard in Southern Leyte.

### Shaping Our Healthy Future

In the next decade, we plan to expand our reach into 485 municipalities in the priority regions, which represent a third of the total number of municipalities in the Philippines. While we have made significant headways in the last three years, we hold no illusions that much work is yet to be done.

In many parts of the country, Filipinos regard quality healthcare within their reach as a pipe dream. Every day, they still wake up to the reality of high cost of healthcare and medication.

Families with average earnings could hardly afford even a simple prescribed medicine to common health problems. What more for the majority of Filipinos living in the rural areas who hardly see a doctor and oftentimes rely on home remedy or ignoring the ailment entirely until it becomes severe? The outlook is bleaker for expectant mothers living in far-flung and poor communities who are bringing into this world a new generation of Filipinos who would confront the same harsh reality as they grow up.

But all is not lost.

#### Overcoming health challenges

Through our Health Change Model, we have demonstrated that saving the lives of mothers and their babies in the poorest parts of the country is possible. We have shown that we can make it happen – but only if we are able to transform local government leaders into health champions and create meaningful impact in their communities. Not only are these leaders in the best position to address healthcare issues, but also unmet needs in education, livelihood, and other social determinants affecting health that eventually lead to improvements in the quality of life of Filipinos.

The country needs to make drastic interventions in these critical areas. In addition, we also need to raise the sense of urgency among our leaders – from the national down to the barangay levels – and efficiently channel resources where they are mostly needed.

#### Mainstreaming our approach

To meet the country's Millennium Development Goals on health, we must be able to mainstream our Health Change Model that is anchored on leadership and governance, and strategically partner with public institutions. But we cannot do it alone. We must encourage Public-Private Partnership (PPP) among government agencies, local government units, and private development organizations. Not only is this critical in meeting the country's MDGs on health by 2015, but also in sustaining equitable and responsive health systems well beyond 2015.

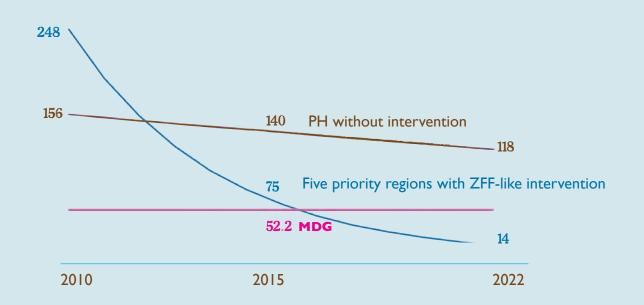
In the next decade, we plan to expand our reach into 485 municipalities in the priority regions, which represent a third of the total number of municipalities in the Philippines. Bringing the Health Leadership Model to these priority regions will help the country hit its MDG target on maternal mortality ratio.

The focus on maternal deaths does not mean other health issues are being overlooked. Rather, as Health Secretary Enrique Ona said, maternal mortality ratio is essentially a "sentinel information," which means it is a good gauge of how the entire healthcare system is doing.

### Our Goal

### REDUCE THE COUNTRY'S MATERNAL MORTALITY RATIO

Ratio of the number of deaths of mothers per 100,000 live births (includes United Nations Population Fund's 2012-2022 forecasts for the Philippines if there are no interventions )



Driving down the ratio in the five priority regions can significantly increase the chances of the country hitting its MDG target by 2015.

"Although we are targeting maternal mortality ratio, it reflects on the entire healthcare system. So if the MMR is going down, it means we are improving." – Health Secretary Enrique Ona, during the 162-52 Health Summit press conference on April 20, 2012

"Although we are targeting maternal mortality ratio, it reflects on the entire healthcare system. So if it (MMR) is going down, it means we are improving," Secretary Ona said during a health summit on maternal health.

We at Zuellig Family Foundation are prepared to devote resources of Php1.123 billion over the next ten years or an average of Php100 million a year to address both the leadership and the facilities and services requirements of improved local health systems that will deliver quality primary healthcare in the poorest municipalities of the country.

We consider this as a significant progress, considering that the five priority regions account for 35% of the total maternal deaths in the country. Without drastic interventions, the MMR in these regions will fall to 223 by 2015, missing the MDG target by a mile.

If our Health Change Model can be immediately adopted in all 485 municipalities of these five regions, their MMR will drop to 75 by 2015 (see graph on page 27). This, plus the efforts of DOH in priority areas with high poor population, will increase the chances of hitting the MDG's 52.2 target by 2015.

#### Taking a radical approach

Mainstreaming our Health Change Model to the 485 municipalities is an ambitious goal. But we believe we need to take a more radical approach to stem the tide of death and save more lives. After all, we have been given the rare chance to reverse a vicious cycle that has been afflicting the nation's rural poor for centuries. There is so much work with the grassroots communities and these are not easy tasks.

But working hand in hand with our partners is the only path that could bring us closer to our vision of transforming local health systems to improve health outcomes of the poor. And as long as we consistently build productive partnerships, there is no limit to what we can achieve together.

#### Partnership is key

As the task we set out to do is herculean, the Foundation will require partnerships with other institutions. In particular, the Public Private Partnership (PPP) model will magnify and multiply our efforts even beyond 2015.

We plan to establish partnerships with selected regional offices of the Department of Health, especially in assisting their local health development units become proactive agents for local health leadership. By teaming up with the DOH, the resources we need to bring better health outcomes to areas with high MMRs will decline.

We will also continue to promote public leadership and health governance among local government units and private development organizations to sustain equitable and responsive health systems well beyond the MDG timeframe. The Foundation will work with provincial and regional governments, which provide curative components of healthcare and additional resources to priority municipalities.

The Foundation will also forge partnerships with academic institutions such as the University of Makati, the University of the Philippines-School of Health Sciences in Palo, Leyte, and the Ateneo de Zamboanga University. These institutions can provide LGUs with capacity-building and technical assistance in health governance, as well as facilitate the transfer of training technology down the line. Partnerships with civil society and NGOs working on social determinants of health will also be continued and expanded.

#### National impact on health

As we widen our reach and mainstream our efforts, we expect significant changes in the country's health situation. But it is not going to be easy. Improving health systems means we must facilitate rural health arrangements including financing, trained manpower, services and access to essential medicines, information technology, as well as enhancements in barangay health governance and community health participation.

The enormity of the challenge we face makes the call for partnerships among government units, non-government organizations, academe, and the private sector imperative. We see that joint efforts will result in collective impact in our national healthcare system.



The Zuellig Family Foundation is uniquely positioned to make a difference in saving the lives of mothers and their babies. We have shown that we can make it happen but only if local government leaders transform themselves into health champions and create a meaningful impact in their communities.

Our Health Change Model currently reaches 46 municipalities in five of the poorest regions of the country. By partnering with government agencies and private development organizations, we can do more for the poor.

#### Cohort 1

Dingalan, Aurora
Sta. Fe, Nueva Vizcaya
Padre Burgos, Quezon
Dao, Capiz
Bacolod, Lanao del Norte
Sultan sa Barongis, Maguindanao
Paglat, Maguindanao
Datu Paglas, Maguindanao
Gen. Salipada K. Pendatun, Maguindanao

#### Cohort 2

Bulalacao, Oriental Mindoro
Cajidiocan, Romblon
Magdiwang, Romblon
San Fernando, Romblon
Minalabac, Camarines Sur
Pilar, Sorsogon
Prieto Diaz, Sorsogon
Daram, Samar
Pinabacdao, Samar
Leon Postigo, Zamboanga del Norte
Lapuyan, Zamboanga del Sur
Tungawan, Zamboanga Sibugay
San Pablo, Zamboanga del Sur

#### Cohort 3

Parang, Maguindanao Sultan Mastura, Maguindanao Upi, Maguindanao Balindong, Lanao del Sur Taraka, Lanao del Sur Bongao, Tawi-Tawi Simunul, Tawi-Tawi Panglima Sugala, Tawi-Tawi



### ZFF Programs Nationwide

Our Health Change Model is being adopted in five regions of the country with the highest poverty incidence and the most serious health challenges.

#### Cohort 1

Started in late 2008 with nine municipalities

#### Cohort 2

Started in 2010 with 13 municipalities

#### Cohort 3

Started in 2011 with 8 municipalities in the Autonomous Region in Muslim Mindanao (ARMM)

#### Partnership with the University of Makati

Leaders from nine municipalities nationwide undertake a Certificate Course on Public Health Governance

Zamboanga Health Alliance (in partnership with the DSWD, DOH, PhilHealth)

Leaders from seven municipalities in the Zamboanga Peninsula join forces to meet the Health, Education and Poverty MDGs

### Our partners

ZFF is able to magnify the impact of its initiatives through its partnerships with these government, non-government and private institutions.

### **Program Partners**

CARD-MRI is a microfinance institution that seeks to empower the poor through microfinance. CARD-MRI is a recipient of the 2008 Ramon Magsaysay Award for Public Service.



Jollibee Foundation is the corporate social responsibility arm of Jollibee Food Corporation (JFC), the Philippines' largest food chain.



The Foundation for Information Technology Education and Development (Fit-Ed) is a non-profit organization that seeks to help people and communities harness information and communication technologies for learning.



Synergeia Foundation is a coalition of individuals, institutions, and organizations working together to improve the quality of basic education in the Philippines.



University of Makati aims to mold highly competent professionals and skilled workers from the children of poor residents of the City of Makati.



A Single Drop for Safe Water (ASDW) is a non-profit organization that builds the capacity of self-reliant partnerships to plan, implement, and manage community-driven clean water and sanitation solutions through sustainable organizational strategies, WASH Education, and appropriate technologies.



#### Resource Partners

Canada Fund for Local Initiatives (CFLI) assists community-based organizations and NGOs in the Philippines.



Zuellig Pharma is a leading healthcare distribution solution specialist that serves 15 countries and regions in Asia.



Metro Drug, Inc. provides a viable and cost-efficient alternative for the distribution of medicine and healthcare products throughout the Philippines.

#### **Government Partners**

The Department of Health (DOH) holds the overall technical authority on health as the country's national health policymaker and regulatory institution.







### Financial Highlights

### STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE

	December 31	
	2011	2010
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱61,476,111	₱49,874,854
Receivables (Note 5)	254,836	628,498
Prepaid and other current assets	402,138	342,003
Total Current Assets	62,133,085	50,845,355
Noncurrent Asset		
Property and equipment (Note 6)	7,588,568	4,671,816
	₱69,721,653	₱55,517,171
Current Liabilities Accrued expenses and other payables (Note 7) Advances from a related party (Note 8) Total Current Liabilities  Noncurrent Liability	₱18,215,000 232,740 18,447,740	₱8,777,108 222,496 8,999,604
Retirement liability (Note 10)	11,571,103	7,865,872
Fund Balance	39,702,810	38,651,695
Fully Dalatice	39,702,810	00,001,000

See accompanying Notes to Financial Statements in the CD.

### STATEMENTS OF CHANGES IN FUND BALANCE

	Years Ended December 31	
	2011	2010
FUND BALANCE		
FUND BALANCE AT BEGINNING OF YEAR	₱38,651,69 <b>5</b>	₱21,020,263
EXCESS OF REVENUES OVER EXPENSES	1,051,115	17,631,432
FUND BALANCE AT END OF YEAR	₱39,702,810	₱38,651,695

See accompanying Notes to Financial Statements in the CD.

#### **OVERVIEW OF FINANCIAL POSITION**

The statement shows the Foundation had total assets of ₱69.7 million at the end of 2011. This represents an increase of ₱14.2 million (26%) over the previous year's total assets of ₱55.5 million. The increase represents net cash used from operations and investing activity.

The increase in Fund Balances was a result mainly of unexpended appropriations.

#### **OVERVIEW OF REVENUES AND EXPENSES**

In 2011, the Foundation received a donation of \$\mathbb{P}\$96 million from its principal donors. This is a one hundred-thirty-three percent (133%) increase from \$\mathbb{P}\$72.1 million of the previous year.

Also, interest income increased by forty-one percent (41%) from ₱1.05 million in 2010 to ₱1.48 million in 2011.

The total expenses in 2011 were ₱96.48 million, broken down as follows:

General and Administrative Expenses ₱ 18.47 million (19%) Project Expenses ₱ 78.01 million (81%)



### Zuellig Family Foundation Management & Staff

#### Office of the Chairman

Roberto Romulo Chairman Melanie Reyes Executive Assistant

#### Office of the President

Ernesto D. Garilao President Vincent Magtibay Executive Assistant

#### Institute

Juan Villamor Director
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Helena Marie Lagon, M.D. Project Associate
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Rocio Paloma Program Assistant
Schenley Anne Belmonte Project Assistant
Ana Camille Chuaquico Project Assistant
Glenn Miranda Project Assistant

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Jerry Jose Project Associate
Karen Lipio Project Associate
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Charles Cedrick Maghirang Program Assistant
Jovito Dy Project Assistant
Liane May Punsalan Project Assistant

#### **Support Group**

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### About the Cover

The front cover of this annual report shows the image of a mother's hand lovingly clasping her newborn child's hand. This conveys the theme of our report, "The Power of ME/WE." To be an effective catalyst in transforming the local health system to attain the Millennium Development Goals on health, Zuellig Family Foundation recognizes the need to empower all stakeholders - from individuals ("ME") to health leaders ("WE") in rural municipalities in the Philippines - to respond more effectively to the challenges of the Philippine health sector. We are uniquely positioned to help strengthen the capabilities of the country's public healthcare systems and improving access to healthcare for the rural poor.





The inside pages of this annual report were printed on Forest Stewardship Council (FSC)-certified paper and distributed to a limited number of people, primarily partner organizations. In an effort to reduce the consumption of resources from printing and distributing hard copies, an electronic copy of this report, as well as a video of Zuellig Family Foundation, are contained in the CD. The report may also be downloaded from our website, www.zuelligfoundation.org.



Duly certified by the Philippine Council for NGO Certification (PCNC)

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