

CORRUPTION IN THE PHARMACEUTICALS & HEALTHCARE SECTOR

6TH ASIA PACIFIC PHARMACEUTICAL AND MEDICAL DEVICE COMPLIANCE CONGRESS
– 21 SEPTEMBER 2016

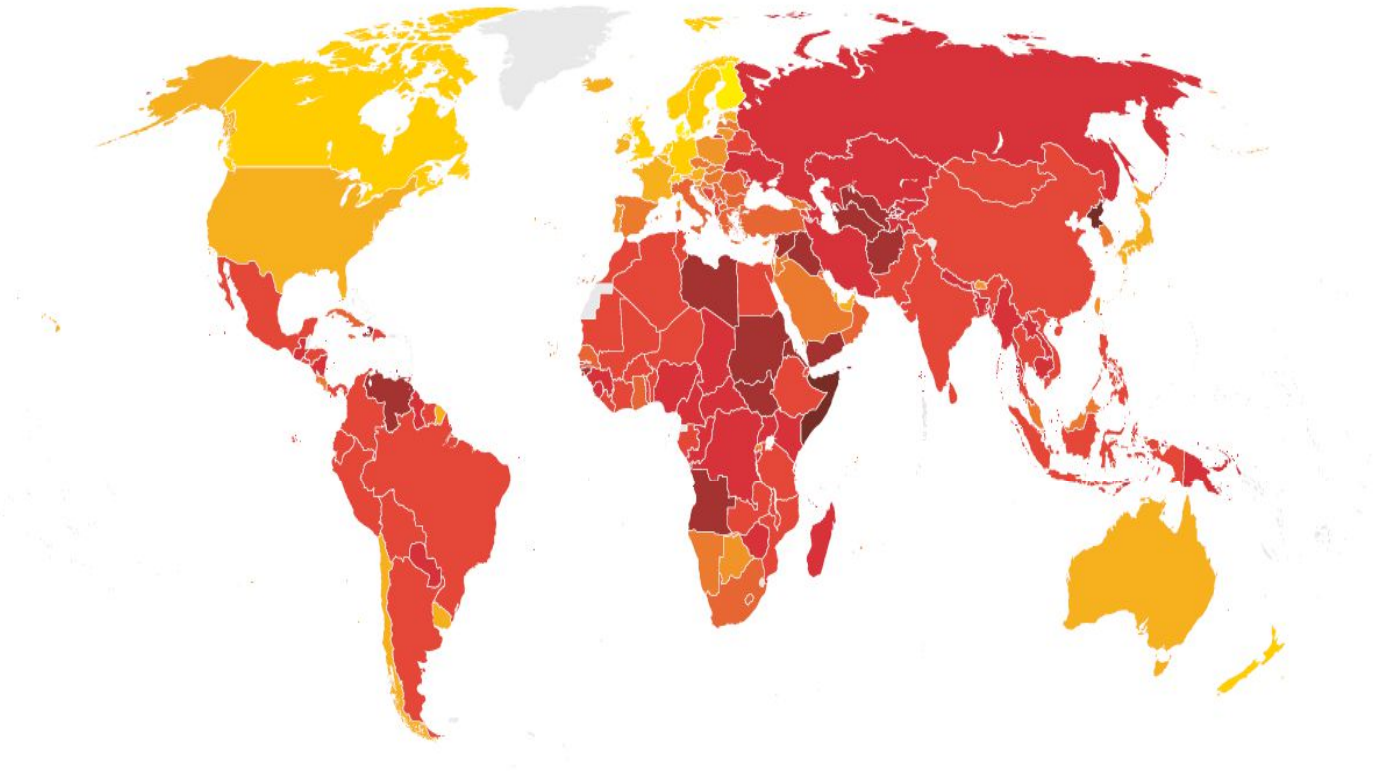
Sophie Peresson
Director, Pharmaceuticals & Healthcare Programme - Transparency International UK

CPI 2015

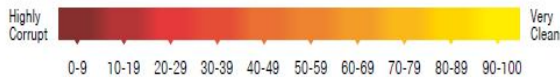


CORRUPTION PERCEPTIONS INDEX 2015

The perceived levels of public sector corruption in 168 countries/territories around the world.



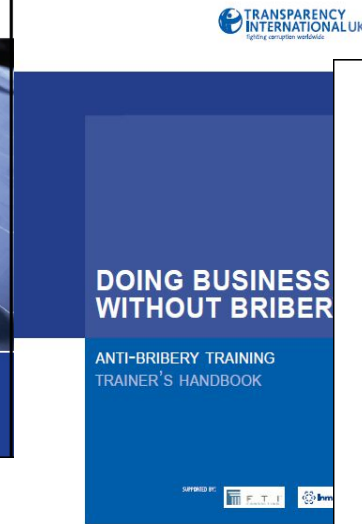
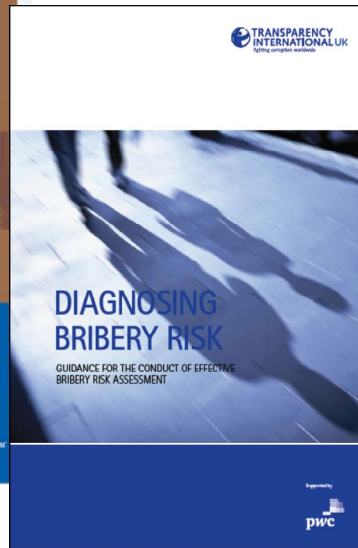
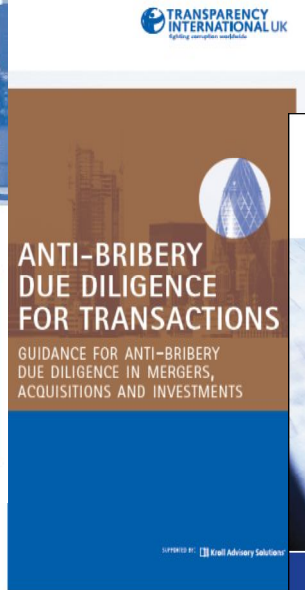
SCORE



#cpi2015

www.transparency.org/cpi

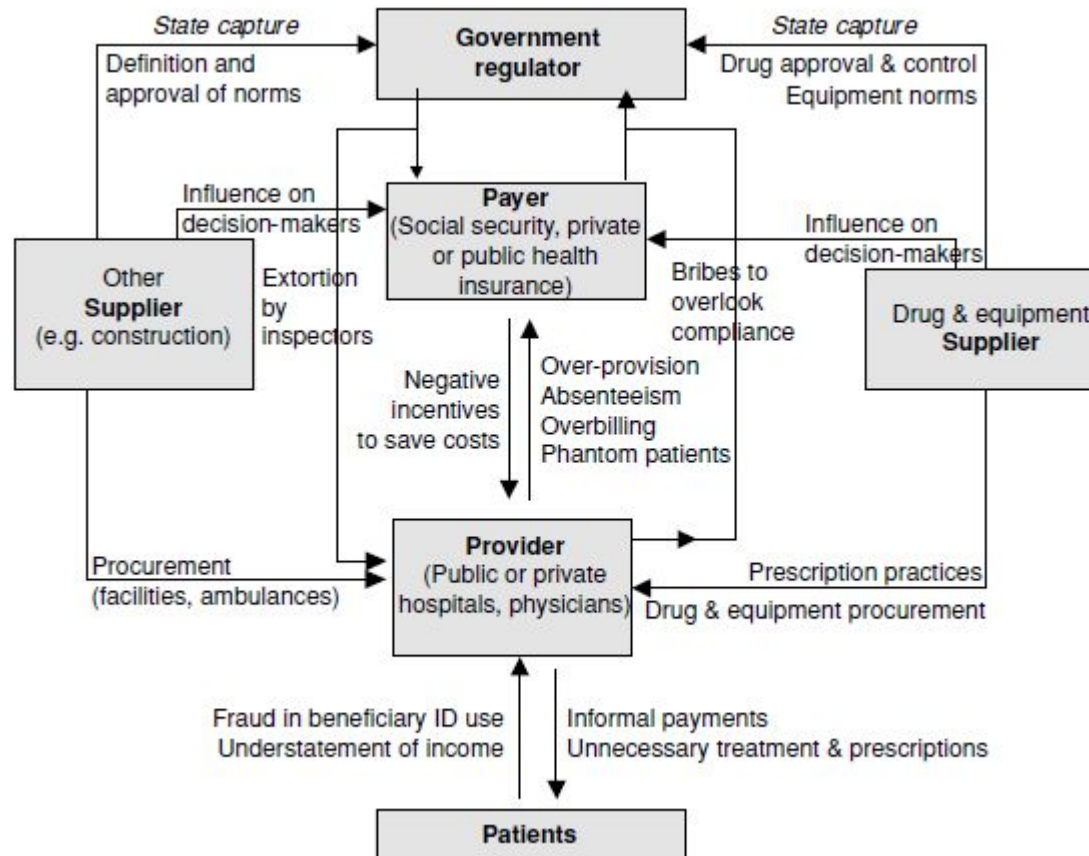
GUIDANCE FOR COMPANIES



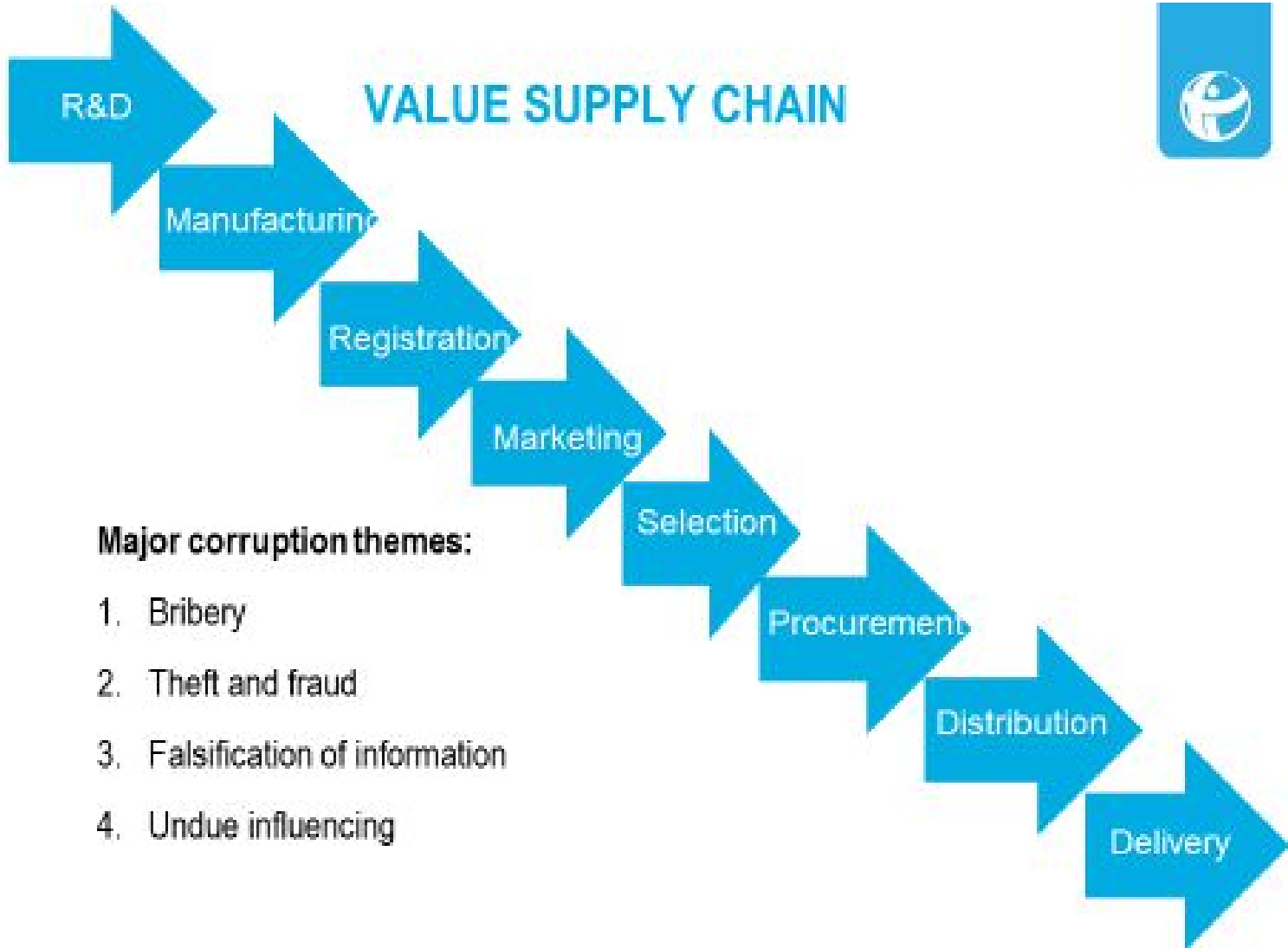


PHARMACEUTICAL & HEALTHCARE SECTOR

CORRUPTION IN THE HC SECTOR



Source: Savedoff, W.D. and Hussmann, K. (2006): Why are health systems prone to corruption? In: Transparency International (ed.) Global Corruption Report 2006.



transparency.org.uk

CORRUPTION ABUSES



Research and development

Incomplete disclosure of scientific evidence and unethical clinical trial practices.

Patents and registration

Patent ever-greening and bribing/withholding of information to obtain licences.

Political and regulatory

Healthcare legislation and controls being compromised by corruption.

Product quality

Counterfeit, falsified and substandard products.

Promotion

Mis-marketing and unethical promotion driven by incentivised sales targets.

Expenditure fraud risk

The risk of diversion of public resources and abuse in the expenditure of large healthcare delivery budgets.

Procurement

Conflicts of interest, including the selection of essential medicines.

Health service delivery

Demand side corruption leading to reduced access to healthcare.



A GLOBAL PROBLEM

- \$7 trillion annual global spend
- 17% of people worldwide stated they had paid a bribe when dealing with the medical sector Global Corruption Barometer, 2013
- Estimate 10-25% public procurement funds lost to corruption
- Pharmaceutical & healthcare sector supply chains are global, long and complex

OUR GOAL



**ACHIEVING GENUINE CHANGE IN THE
PHARMACEUTICAL AND HEALTHCARE
SECTOR BY REDUCING CORRUPTION AND
PROMOTING TRANSPARENCY, INTEGRITY
AND ACCOUNTABILITY**

Why are we doing it?



- **Economic impact** – large amounts of public funds are wasted
- **Health impact** – the waste of public resources reduces the government's capacity to provide good quality services and products; patients may turn to unsafe medical products available on the market instead of seeking health services, leading to poor health outcomes for the population
- **Government trust impact** – inefficiency and lack of transparency reduces public institutions' credibility. This not only erodes the trust of citizens but can also decrease foreign investment in the health sector and levels of health aid

TRANSPARENCY INTERNATIONAL PHARMACEUTICALS & HEALTHCARE PROGRAMME FOCUS AREAS

1



**INFLUENCE GLOBAL POLICY TO
PRODUCE STRUCTURAL CHANGE**

2



**PROMOTE GLOBAL BEST
PRACTICE STANDARDS TO
STRENGTHEN TRANSPARENCY**

3



**SUPPORT NATIONAL AND LOCAL
INTERVENTIONS & SOLUTIONS**



THEMATIC AREAS



**Research &
Development**



Manufacturing



Marketing



Procurement



Service Delivery



How will we bring about change?

- Advocacy and policy analysis
 - Research
 - Standard-setting
 - Multi-stakeholder dialogue
 - Engaging with companies, governments, regulators, global health community
- In practical terms
 - Publishing typologies, indices and trends
 - Illustrative research into key areas
 - Producing good practice guidance



EXAMPLES OF SOME OUR RECENT WORK

ENGAGING WITH THE PRIVATE SECTOR



Track record of engaging with the private sector to

- understand challenges faced
- ascertain measures and policies in place
- share best practices

Next steps include e.g. attending the annual ETHICS network meeting (Paris, September) and identifying other relevant networks & stakeholders

HEALTH SECTOR CORRUPTION TYPOLOGY REPORT



Our research has shown that there is a low knowledge level of corruption in the health sector, with actors usually having expertise in health or anti-corruption, but not both. The few previous typologies of corruption in the health sector have been limited in their scope of types and/or their technicality.

The typology will be presented as an interactive website highlighting between 8-12 major corruption categories and their individual types.

HEALTH SECTOR CORRUPTION TYPOLOGY REPORT



Purpose: raise the knowledge level of corruption in the health sector, to facilitate the creation and adoption of anti-corruption measures.

To achieve this, the typology will seek to:

- ascertain the major corruption categories and types in the health sector globally
- analyse the major corruption categories and types in the health sector with reference to actor, geography, and health system type
- collate definitions, key facts and case studies
- be guided by external guidance and feedback.

TRANSPARENCY INTERNATIONAL - HEALTH ACTION FUND



Case study: Nepal

- Assess availability of free drugs and services guaranteed by the Government of Nepal, quality issues and also address grievances.
- Conduct research and interactions to assess problems and remedies on corruption in the pharmaceutical sector and provide recommendations to government.

Final reports will be uploaded shortly

LATIN AMERICAN PHARMA PRINCIPLES



Project objective: raising ethical standards in the pharma sector through development of transparency and anti-corruption principles on bribery, conflicts and related marketing practices.

Initial output: (a) principles for addressing bribery and related conflicts of interest and (b) guidance on their implementation.

Relation to other codes: the project document will be designed to complement and harmonize – rather than replicate – good practice standards contained in other integrity initiatives, such as the IFPMA Code and Mexico City Principles (MCP).



Thank you for your attention!

Q&A



Sophie Peresson
Pharmaceuticals and Healthcare Programme
Transparency International UK

Sophie.Peresson@transparency.org.uk

www.transparency.org.uk - www.transparency.org