



Transparency International (TI) has recently begun applying its anti-corruption expertise to tackle priority problems within the health sector. Our ambition is bold: **to achieve genuine change in the health sector through reducing corruption and promoting transparency, integrity and accountability.**

Every day, around the world, people suffer and die due to corruption in the health sector. A severe lack of transparency and accountability has allowed corruption health systems. Corruption in drug manufacturing has led to dangerous low-quality medicines entering the market. Patients may be denied access to treatment because they are unable to afford a bribe demanded by a corrupt doctor with no accountability. Medical services may be substandard if a lack of transparency allows pharmaceutical companies to exert undue influence and distort health policy and regulation. Ultimately, in all cases it is the patient that suffers; the most socially vulnerable are most acutely affected.

The scale of the problem is huge. An estimated US\$5.3 trillion is spent worldwide each year on providing health services and it is estimated that as much as 6 percent, or US\$318 billion, is lost to corruption and errors. In procurement alone, estimates of global spending losses due to corruption range from 10 to 25 percent.

There are three prominent impacts of corruption in the health sector:

- **Reduced access** – denying citizens their healthcare rights and entitlements without financial hardship
- **Negative healthcare outcomes** – less effective healthcare, due to the interplay between public and private sector and weak health systems
- **Economic inefficiency** – less money for healthcare due, for example, to theft or misallocation of public resources; increased health burden as a result of poor health outcomes

To achieve genuine change TI is focusing on three activities:

- **Developing the knowledge base** to understand how, why, and the extent to which corruption occurs throughout the health sector from which evidence-based decisions can be made
- **Establishing global standards** so that necessary tools are available to address corruption vulnerabilities
- **National and locally driven interventions** responding to defined problems and seek specific solutions

Procurement

TI will work in several high risk areas of health systems, with procurement processes being a focus of efforts. The procurement process is one of the highest corruption risks in the health sector. Indeed in TI's analysis it is one of the sectors that appears to be most vulnerable to corruption in public procurement. Estimates suggest that 10 to 25 per cent of global spending on public medicine procurement is lost to corruption.

Open contracting is a key policy to achieving transparent and accountable procurement systems. TI will seek to work with governments, global institutions and expert civil society organisations to improve open contracting with the aim of:

- Developing resources and providing technical assistance for health sector open contracting;
- Developing a common approach/global standard to monitor the performance of both companies and governments;
- Encouraging countries and international institutions to adopt open contracting as a default part of their health sector procurement process.

For more information on TI's work in the health sector please visit:
www.transparency.org.uk/our-work/pharmaceuticals-healthcare-programme/