Combatting Corruption: HEALTH Sector

Guidance Note - DG INTPA G1

This note is an excerpt of longer guidance currently in development, exploring anti-corruption in different sectors.

Corruption in the health sector can make the difference between life and death, especially for vulnerable persons. In a study analysing data from 178 countries, the deaths of approximately 140,000 children per year were estimated to be indirectly attributed to corruption[1]. It is believed that each year the sector loses around $500bn to corruption globally[2]. Corruption has been extensive during the COVID-19 pandemic, worsening already low levels of transparency and accountability. 45% of respondents of a global survey conducted by Global TI in 2013 perceive that their national healthcare sector is corrupt or very corrupt.[3]

The EU's Global Health Strategy, which addresses health challenges at the global level, aims to "(1) deliver better health and well-being of people across the life course, (2) strengthen health systems and advance universal health coverage, as well as (3) prevent and combat health threats, including pandemics, applying a One Health approach." The EU also actively participates in global initiatives supporting Universal Health Coverage (UHC). Accordingly, and in line with SDG 3 'Good Health and Wellbeing', Health is one of the Global Gateway's priority areas, focusing on "the security of pharmaceutical supply chains and the development of local manufacturing"[4].

Corruption Risks and Mitigation

Three elements should be borne in mind when assessing risk – firstly that health systems can vary greatly in their degree of centralisation, which in turn will impact the types and scale of risk. Secondly, many systems in the developing world do not have clearly defined borders between public and private sector. This can complicate assessments and provide fertile ground for illicit practices. Thirdly any substantive change will require political will, which in some cases will be difficult to attain but can be transformative.

This section briefly describes typical corruption risks and provides links to further information as well as examples for different approaches to mitigate these risks:

Decision Making - The health sector is a highly regulated sector. This means that politicians and civil servants play a decisive role. Conversely, there are powerful private players, including insurance companies, drug producers and distributors. The stakes can be huge, and grand corruption is a central issue. Corruption in decision-making includes regulatory state capture, trading in influence, conflicts of interest, favouritism and nepotism.[5]

Resources for further reading and mitigation approaches:
Invest in institutional strengthening: Focus on enhancing existing anti-corruption laws and policies, such as whistleblower protection and access to information laws, to ensure they advance civil society participation, uphold the rule of law, and strengthen the management of public affairs.
Mainstream anti-corruption into wider efforts to strengthen health systems: This entails integrating transparency, accountability, integrity, and multi-stakeholder participation measures with a view to improving health outcomes.
Include anti-corruption and counter-fraud agencies on the national committee or task force: This is a key step to mainstreaming anti-corruption into the pandemic preparedness and response plan.
Tackling Health Sector Corruption - Five Lessons from Afghanistan (from 2016 to 2018).
How a Public-Private Partnership for Hospital Management May Help Curb Corruption, an example from 2011 in Lesotho.

Public Procurement - Procurement of pharmaceutical, technologies and works are all sources of corruption risk, manifesting in kickbacks, overpricing, under delivery and nepotism.

Resources for further reading and mitigation approaches:
Open Contracting for Medicines: A guide to reforming medicines procurement for better value and better patient outcomes (2023).
Open Contracting for Health: The flagship project of the Transparency International Health Initiative, operational in Uganda, Zambia, Kenya, Nepal and South Africa since 2018.
Prozorro, a digital procurement platform that was introduced in 2016 in Ukraine, has reduced spending during its pilot phase on healthcare by more than 18% of the planned budget on items like medical equipment, pharmaceuticals, food, and office supplies. The system has been adjusted to ensure accountability of medical procurement even in war conditions.

1   https://doi.org/10.1371/journal.pone.0026990
2   https://www.cmi.no/publications/7281-health-sector-corruption-practical-recommendations-for-donors
3   IgnoredPandemic-WEB-v3.pdf (ti-health.org)
4   European Commission (n.d.). *Health.* https://international-partnerships.ec.europa.eu/policies/global-gateway/health_en
5.   https://home-affairs.ec.europa.eu/system/files/2020-09/20170928_study_on_healthcare_corruption_en.pdf

Public Service Provision

Public Service Provision - Access to health services can be seriously affected by absenteeism, extortion and sextortion. Theft and embezzlement also affect access to needed medicines, equipment, and supplies. Beyond simple access, the quality of care and medical drugs can be compromised by bribes, kickback schemes, and fraud.

Resources for further reading and mitigation approaches:
The U4 practice insight into civil society monitoring in the health sector.
USAID Global Health Anti-Corruption Integration Handbook (2022).
Setting up a patient complaint system in the national primary healthcare network in Lebanon (2016–2020): Lessons for Low- and Middle-Income Countries.
Implementing a transparency and accountability policy to reduce corruption: Lessons from the GAVI-Alliance investigation, uncovering massive misuse of its grants Cameroon in 2011.

Human Resource Management

Human Resource Management - Favouritism in staffing relates to employment contracts, promotions and other benefits. Health workers' absenteeism and ghost personnel are also major problems. Sextortion is also an acute problem in some contexts.

Resources for further reading and mitigation approaches:
WHO (2020) Findings from a rapid review of literature on ghost workers in the health sector: towards improving detection and prevention.
USAID Global Health Anti-Corruption Integration Handbook (2022).

Corruption Analysis

In identifying corruption risks, two external resources can help to pose the right questions. Firstly the WHO/UKAID guide on Health System Assessments, and secondly the USAID Health Anti-Corruption Handbook.

In analysing drivers of corruption more generally three complementary approaches are often employed: While (i) Political Economy Analysis includes stakeholder mapping and exploration of the structure as well as the 'rules of the game', the (ii) Systems Analysis covers the procedures and routines within a system to understand the drivers and causal loops. Finally, (iii) the Analysis of Social Norms and Perceptions, including gender aspects, focuses on expectations and perceptions of what is acceptable behaviour.

Resources:
OECD public integrity maturity model – self-assessment tool for national and subnational governments and public sector organisations.
Department of Foreign Affairs and Trade of Australia (2023): Political Economy Analysis and Adaptive Management Good Practice Note.
Foreign, Commonwealth & Development Office UK (2023): Understanding Political Economy Analysis and Thinking and Working Politically.
UK AID (2017): The Beginner's Guide to Political Economy Analysis (PEA).

USAID (2018): Thinking And Working Politically Through Applied PEA.
U4 (2015) The basics of corruption risk management: A framework for decision-making and integration into the project cycles.
The Corruption, Justice and Legitimacy Program – tools and guides.
Corruption in the health sector: A problem in need of a systems-thinking approach (Front Public Health, E. H. Glynn, 2022).

EU Tools

Any anti-corruption analysis can complement and be supported by existing EU tools and processes, including **Conflict analysis** and EU early warning systems (corruption is a key driver of instability), **Gender analysis** (women and girls are particularly vulnerable to impacts of corruption), **Risk Management Framework** (RMF+ includes dedicated indicators and mitigating measures), **Budget support** (documentation provides essential info on budgets and public financial management), **Human Rights & Democracy country strategies** (combatting corruption is critical to good governance support). Note also the recent EU **Handbook** of good practices in the fight against corruption.

Further Resources

Anti-corruption measures in response to Covid 19. Kickback – The Global Anticorruption Podcast
Coronavirus and Organised Crime; Global Initiative Podcast
Corruption in the health sector: A problem in need of a systems-thinking approach, Glynn EH (2022), *Front. Public Health*
Corruption in the time of COVID-19, U4 Brief
EHFCN https://www.ehfcn.org/ehfcn-nza-book-healthcare-fraud-corruption-waste-europe/
Global Network for Anti-corruption, transparency and accountability in health (GNACTA)
Health sector corruption (Practical recommendations for donors, the U4 Anti-Corruption Resource Centre
Measures To Counter Corruption in the Pandemic. Global Anti-Corruption Blog
Transparency International Global Health
WHO Good Governance for Medicines Programme: an innovative approach to prevent corruption in the pharmaceutical sector
USAID Global Health Anti-Corruption Integration Handbook (2022)

The Anti-Corruption Knowledge Hub is the portal for Transparency International's Anti-corruption resources. The U4 Anti-corruption resource centre also provides a wide range of resources.