

Managing Risks to Corruption in the Health Sector

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Corruption undermines health and SDGs

Corruption Costs Lives

An estimated 140,000 child deaths per year are caused by corruption.

Bribery was correlated with higher death rates for women giving birth, even after adjusting for per capita income and share of total spending on health in 64 countries.

Corruption Costs Resources

The global average annual losses from healthcare fraud and abuse are estimated to be 6.19% of total health expenditures.

An estimated 10-25% of public procurement costs for drugs are lost to corruption.

Corruption Weakens Systems

Substandard and falsified (SF) medical products enter markets in part due to regulatory failures connected to corruption.

Recent World Bank Service Delivery Indicator Survey data from Africa show absent rates ranging from 14.3% of health facility staff in Tanzania, to 33.1% in Niger.

Corruption Undermines Health Outcomes

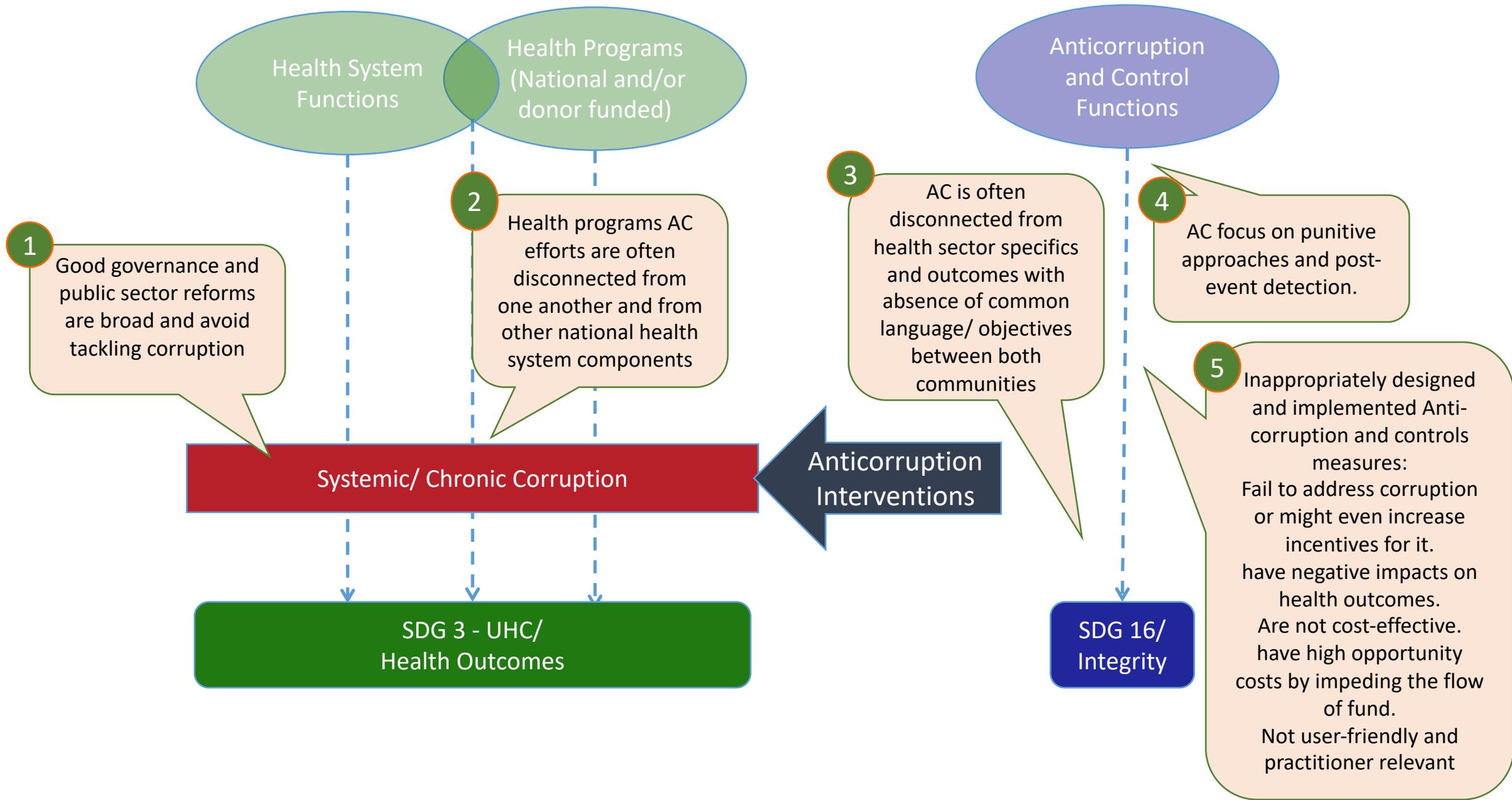
Corruption creates access barriers to vulnerable groups, negatively impacts quality of services, makes health services unaffordable and undermine equity.

Corruption Exacerbates Inequalities

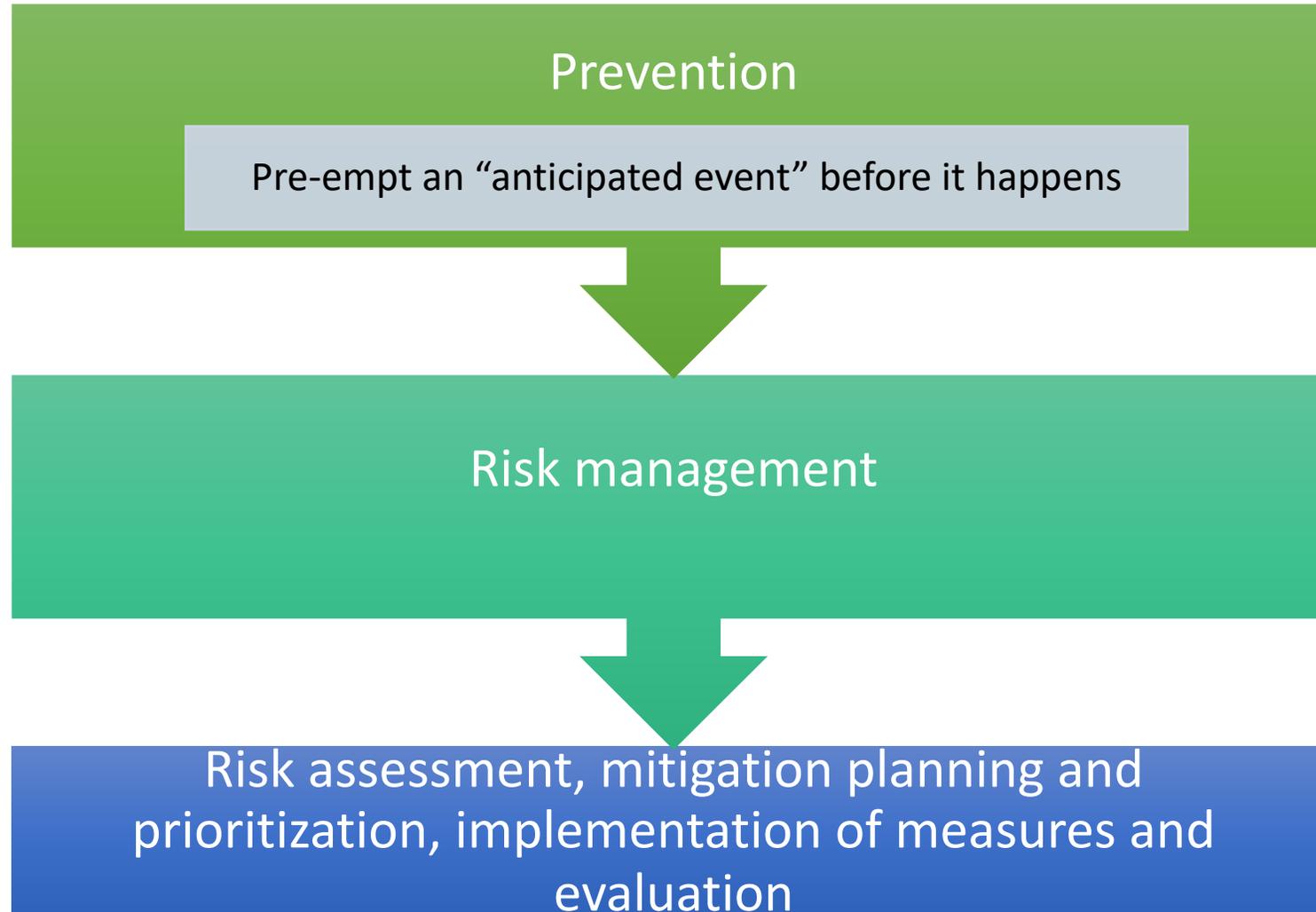
Income inequality within countries has been rising in recent decades, reaching unprecedented levels in the post-World War II period.

A study of 33 African countries found that informal payments were concentrated among the poorest, i.e., regressive.

**SDGs
2030**



Anticorruption efforts and interventions often fail to achieve aspirations to effectively address corruption to advance UHC: Need for Innovative approaches focusing on prevention



Defining and Managing "Risk"

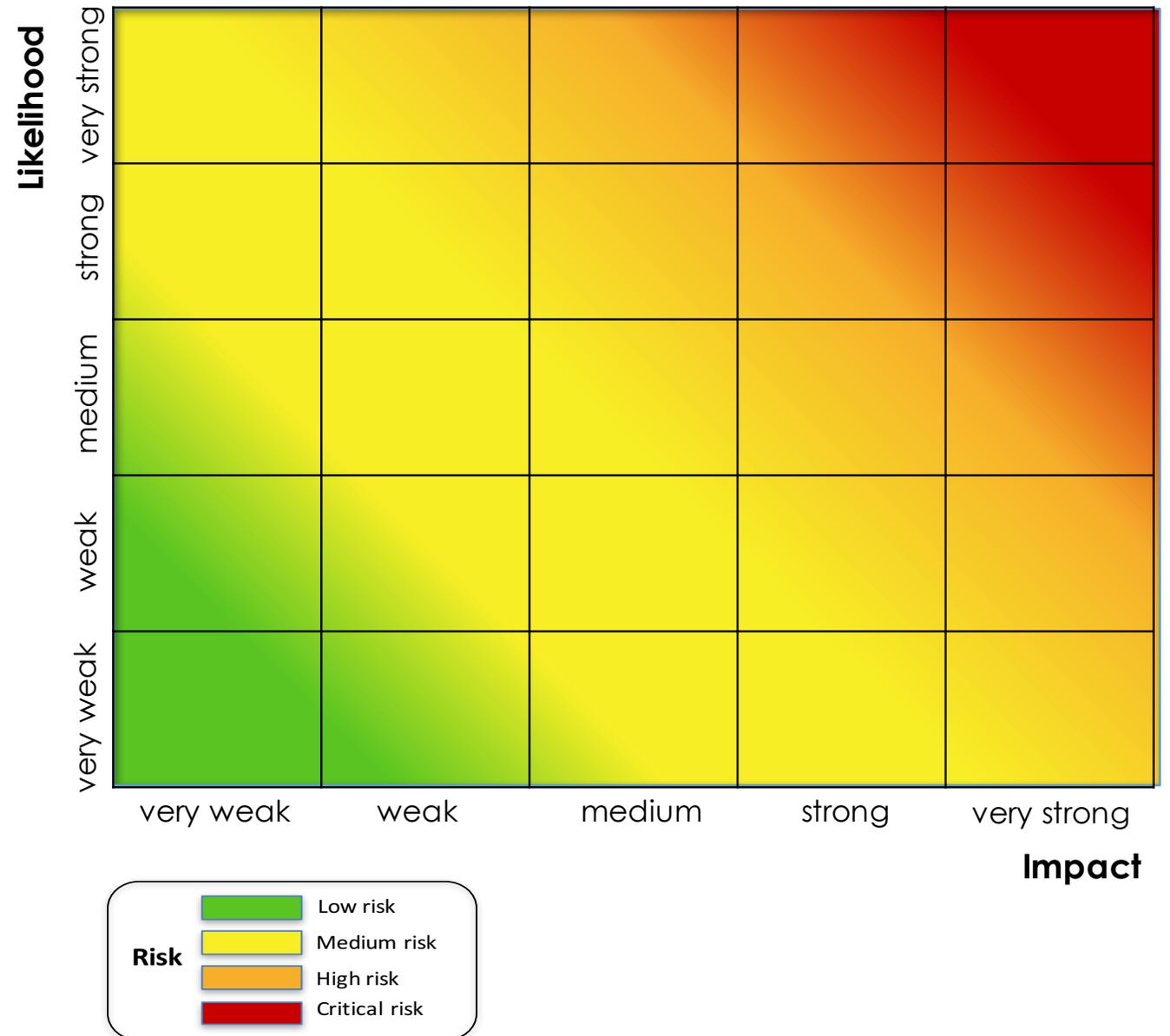
What is "risk"?

Effect of uncertainty on objectives. This effect is a deviation from the expected — positive and/or negative. The objectives can have different aspects and can apply on different levels. Risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances) and the associated likelihood

Risk levels can be assessed by determining the significance of effect ("impact") and the probability of occurrence ("likelihood")

Assessment findings can then be illustrated in a visual *risk heat map* (see right).

Risk **mitigation** strategies, including priorities and responses are then determined accordingly.



Understanding “Corruption” as a Risk

Risk of what?

Corruption “Corruption” is generally agreed to be the misuse of entrusted authority for private gain. This entails that “corruption” may only be perpetrated by a decision maker “actor” who has the authority to take a specific **decision** and translates the decision **into Action**

Where?

Decision

Decision is when an actor in authority identifies an issue and makes a choice that produces consequences in relation to that issue.

Action

Is when the actor executes the decisions

Based on that, assessing the risk of “corruption” cannot be done abstractly but rather in relation to specific **decision/action points** thus requiring the use of those points as units of analysis for corruption risk assessment.

Mapping decision/action points

Follow functions

Policy-making and Legislation

Delivery of Products and Services

Payment /Financial Coverage and Protection

Regulatory Oversight



Follow processes

Follow the patient



Follow the products



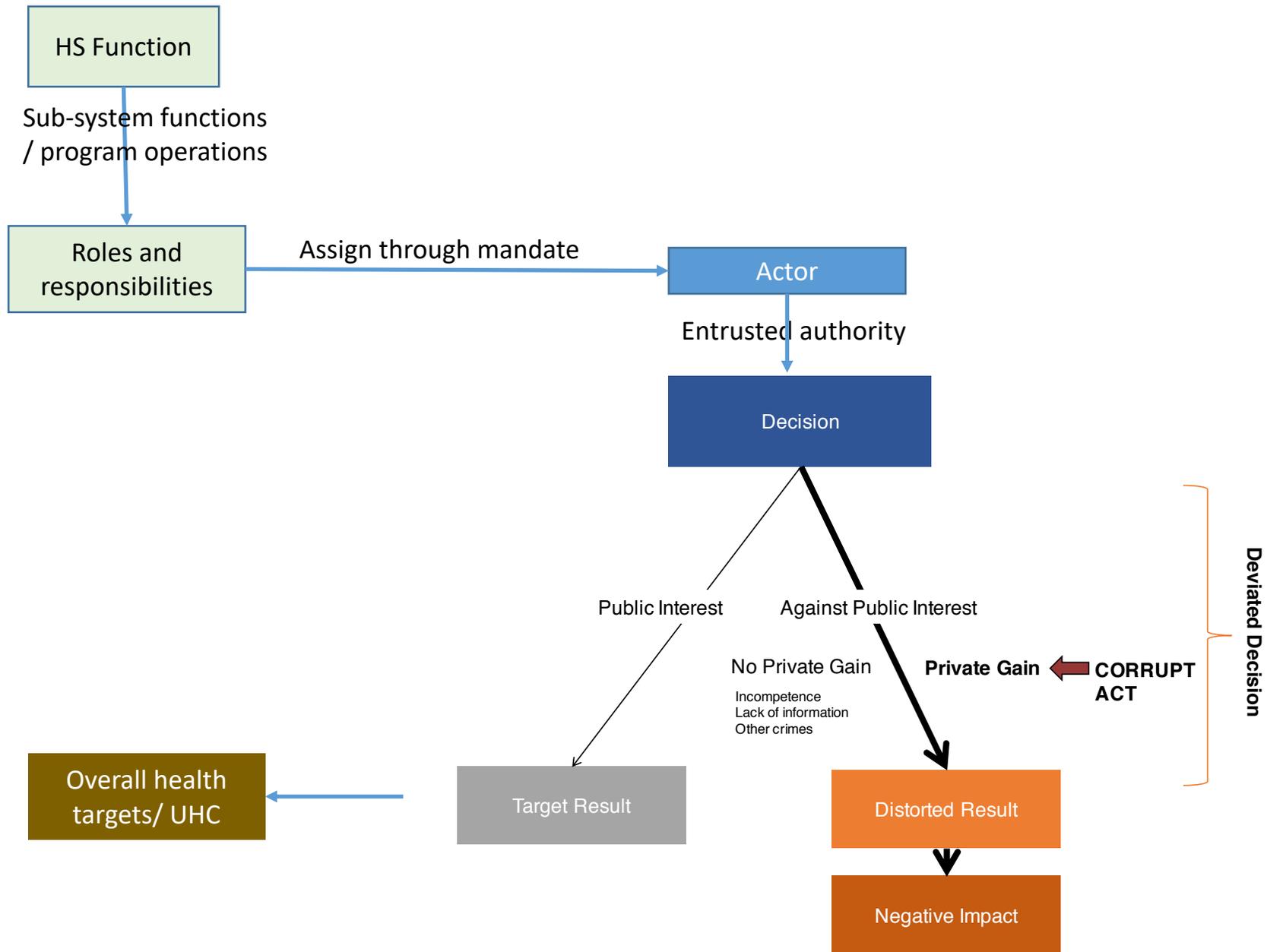
Follow the money



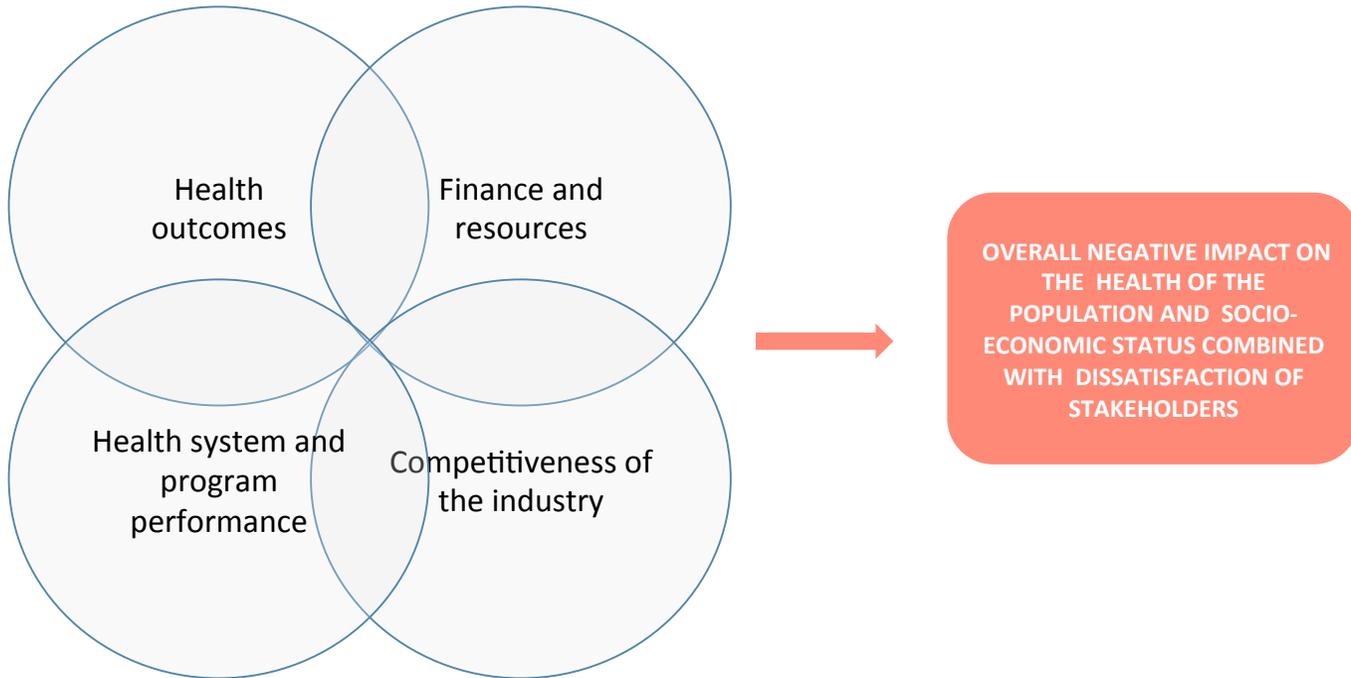
Example of mapped decisions points

- Registration of pharmaceutical products.
- Listing in the EML
- Identification of needs (quality& quantity):
 - At the hospital level
 - At the hospital affiliation body level
 - At the central procurement body level
- Selection of procurement pathway
 - At the hospital level
 - At the hospital affiliation body level
 - At the central procurement body level
- Selection of procurement method (direct purchase, open/close tendering).
- Receipt of procured medical products.
- Distribution
- Storage of procured medical products:
 - At the hospital level
 - At the hospital affiliation body level
 - At the central procurement body level
- Dispensing of medical products:
 - In-patient pharmacy
 - Outpatient pharmacy
 - Other retail outlets

Assessing the distortion of outcomes to measure impact



Assessing impact of a distorted outcome

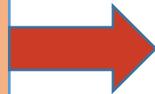


- **1. Number of areas influenced**
- The more “distorted result” following a “deviated decision” caused by a “corrupt act” affects, the stronger is its impact.
- **2. Impact Magnitude**
- The stronger the influence of a single deviated decision caused by a corrupt act and/or the more systemically occurs, the stronger is its impact.

Assessing the likelihood

Drivers to deviation

- Social & Political.
- Economic & Financial Pressures.
- Regulatory & Procedural Pressures.
- Nature of transition.



Targeted Decision/ Action



Deviated Decision/ Action



Restraints to deviation

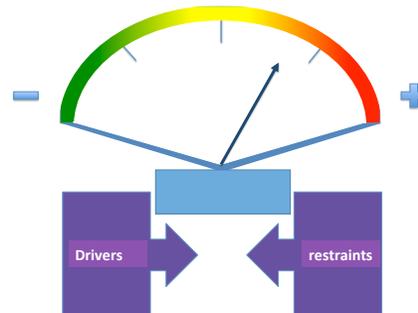
to decision

- Personal integrity.
- Reputational effect.
- Perceptions of detection and enforcement
- Perceived feasibility.

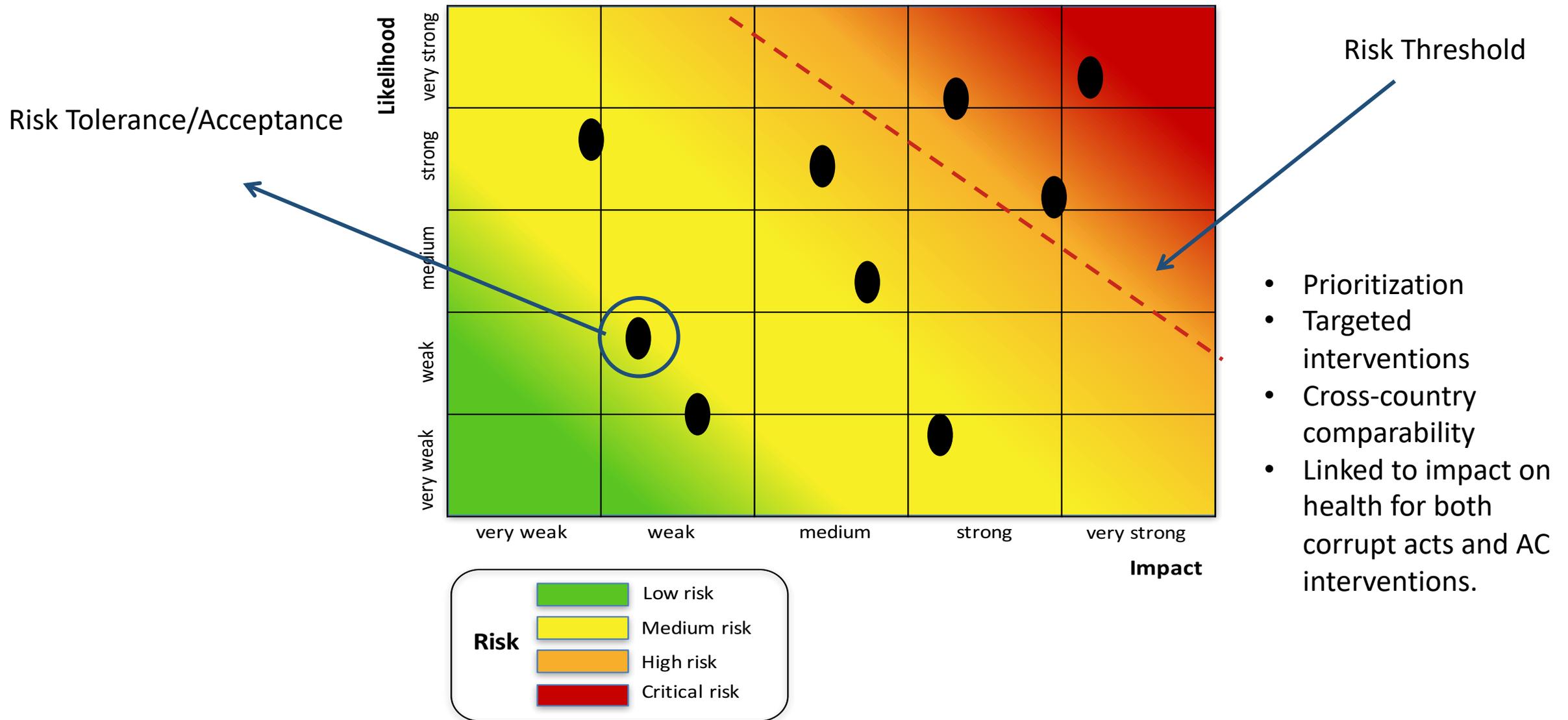


to action

- Policies & Procedures.
- Structural setups & Governance arrangements.
- Information flows & Disclosure policies.
- Controls and Audit.

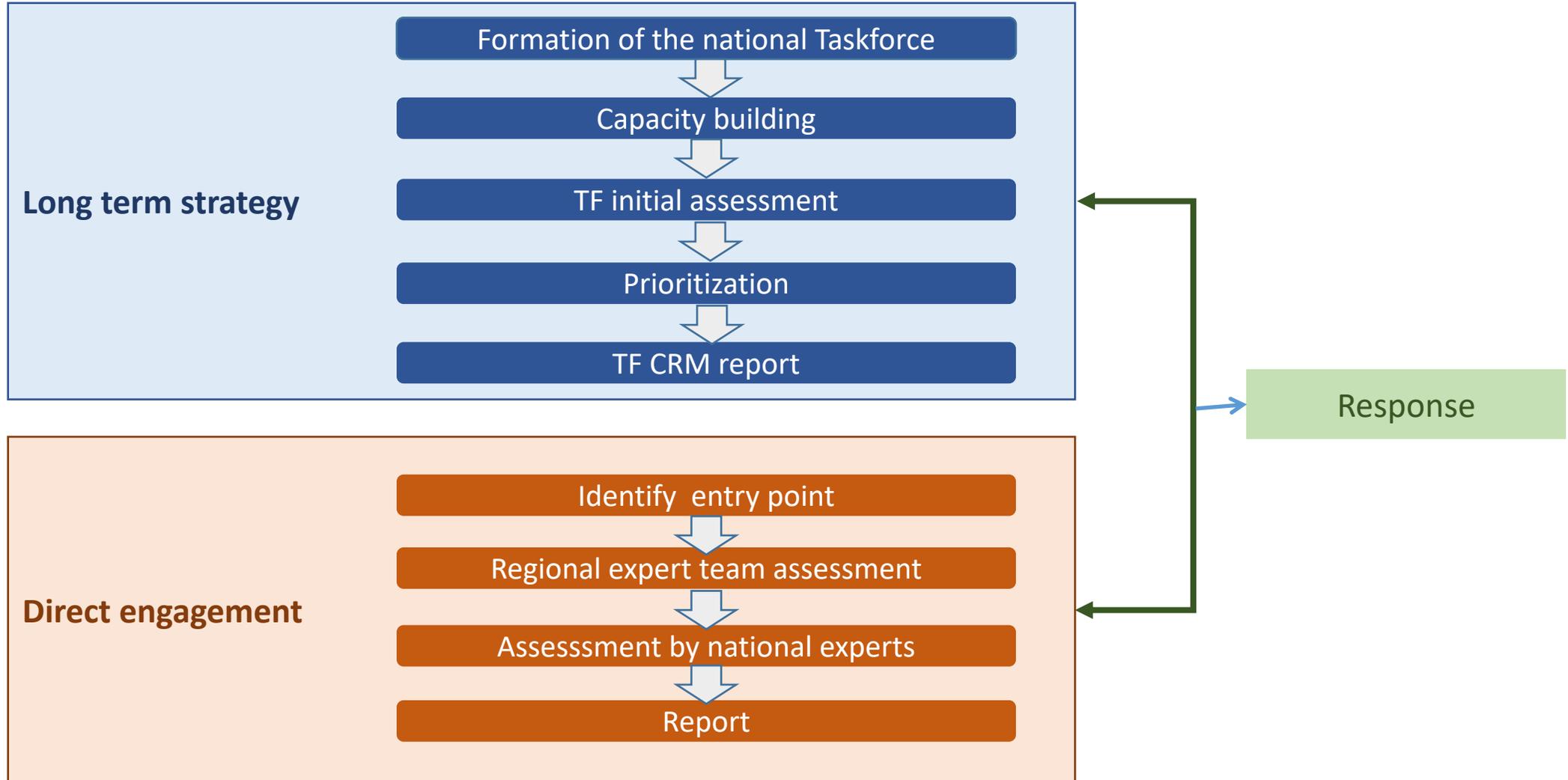


Mapping of risks around specific decision points and prioritization



- Risk level
- Risk Appetite
- Political Choice
- Weighing Risk Treatments
 - Feasibility and applicability
 - availability of resources
 - technical complexity
 - capacity
 - expected stakeholder position
 - time span
 - Return
 - Effectiveness of the interventions
 - Link to other points

Application



Qualitative assessment through national multi-stakeholder teams

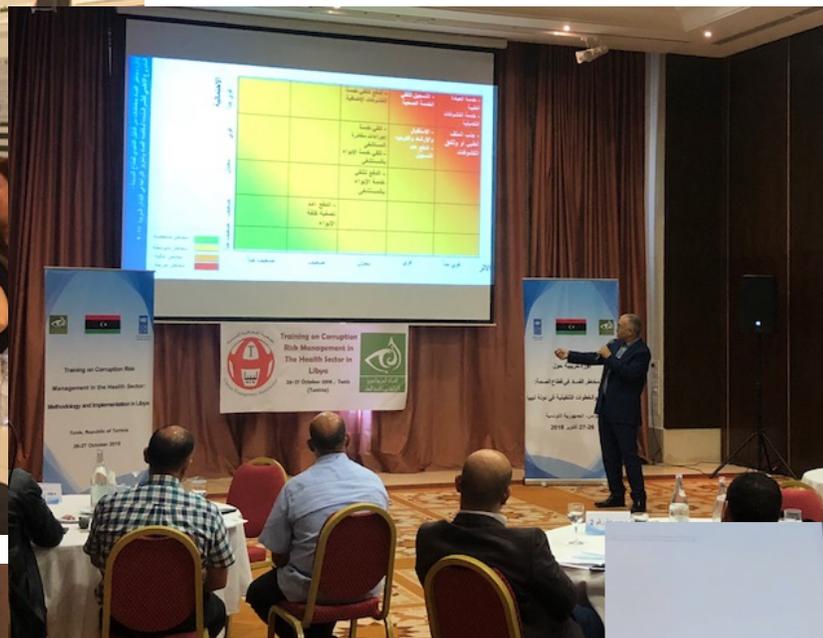
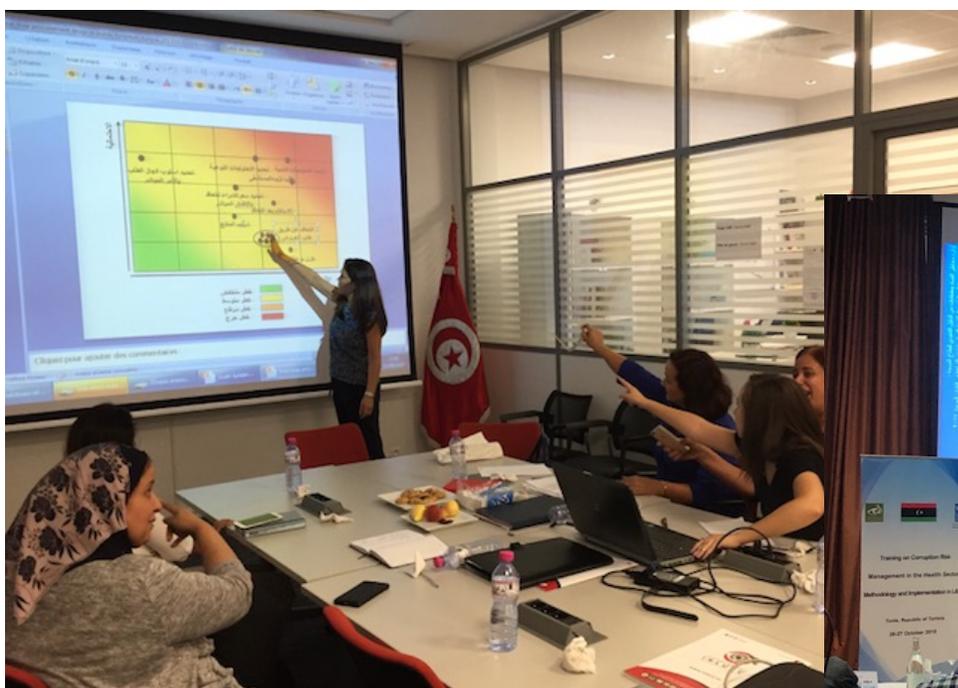
- Multi-stakeholder taskforce included representatives from the anti-corruption community, MOH, Regulatory authorities, civil society, pharmaceutical sector(public).
- Capacity development and technical support for the TF to conduct the assessment.
- Adopting practical approaches to generate evidence to avoid work overload.
- Developing risk heat maps and consultation and prioritization.
- Implementing risk mitigation interventions for low cost interventions through leveraging on preexisting efforts and resource mobilization for the more costly interventions.

- Revisit the risk level.
- Trace impact on the financial indicators.
- Trace impact on the performance indicators.
- Trace impact on health outcomes.

- **Tackling corruption heads-on as an entry point to governance reform**
 - It is a rallying agenda for both the people and the politicians
 - It is concrete and allows to mobilize resources around specific reforms
 - It leads the dialogue to tailor-made solutions rather than trying to impose ready-made abstract standards
- **Adopting a preventative institutional risk management based approach** proved to be practical and relatively easy to apply with minimal resources
- **Focusing on prevention and risks** made it easy to overcome the sensitivity of the issue.
- **Focusing on decision points as units of analysis** using combination of function-based approach and process mapping rather than the broad health system governance approach
- **Using corruption risk heat maps** in identifying priorities and risk mitigation interventions allowing a balance between “quick wins” and “medium-long term reforms”.
- **Detecting similarities between countries despite** difference in country contexts which allowed comparability and consolidating patterns.

Ingredients for success

- **Using consolidated country experiences** around the implementation process and the outcomes allowing exchange and scalability across different countries despite differences in the context.
- **Multi-stakeholder participatory approach** creating a common platform and language among health and anticorruption communities
- **Building national capacities for assessment**, rather than using independent external experts, facilitates access to information, creates national ownership and ensures sustainability
- **Qualitative research methods for data collection and assessment**, rather than quantitative research while managing potential bias is the best way to do it as it Fosters diversity and representation to build consensus without jeopardizing confidentiality and sovereignty of the countries.
- **Two-pronged approach, direct engagement and strategic engagement**, strengthens political commitment, maintains a momentum while retaining direction
- **Clear leadership with gradual and incremental institutionalization** of the national teams through creating national champions and change agents



Thank you



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