



WORLD HEALTH ORGANIZATION

NOTE FOR THE PRESS



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**Note for the Media WHO/31
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WHO SETS UP NETWORK TO COMBAT CORRUPTION IN MEDICINES PROCUREMENT

Huge amounts of money - up to \$50 billion - are spent every year on pharmaceutical products, a market so large that it is extremely vulnerable to corruption. Recent estimates have shown that as much as 25% of medicines which are procured can be lost to fraud, bribery and other corrupt practices.

The World Health Organization (WHO) today launches a new initiative to assist governments to combat corruption by promoting greater transparency in medicines regulation and procurement. WHO is establishing a group of anti-corruption and medicines experts from international institutions and countries to promote greater transparency.

Before reaching the patients who need them, medicines change hands several times in the complex production and distribution chain, providing ample opportunity for corruption. A recent report by Transparency International* revealed that in one country, the value of two out of three medicines supplied through procurement was lost to corruption and fraud in hospitals.

"This is an aberration when you think that poor populations struggle with the double bind of a high burden of disease and low access to medical products," said Dr Howard Zucker, WHO Assistant Director-General for Health Technology and Pharmaceuticals. "Countries need to deal with this problem and ensure that the precious resources devoted to health are being well spent."

Apart from the loss of resources and the danger posed to patients' lives, corrupt practices also allow the entry into the medicines chain of counterfeit and substandard products, further endangering the health of communities.

Corruption occurs at different stages of the chain and may take on different forms:

- Bribery of government officials to register medicines without the required information;
- Government officials may deliberately slow down registration procedures to solicit payment from suppliers;
- Favouritism rather than professional merit in selecting members of a medicines registration committee or in recruiting regulatory staff;
- Thefts and embezzlement in the distribution chain, including in health care facilities.

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To combat the problem, WHO plans to strengthen regulatory authorities and procurement practices by:

- Stimulating legislative reform that will establish laws against corruption and commensurate enforcement and punitive measures;
- Promoting standardized systems of checks and balances to limit or prevent abuse by making publicly available the criteria, structures and procedures applied to select regulatory and procurement staff and medical products;
- Encouraging ethical practices through behaviour change activities and staff training.

The first step of the process will be to create a group of independent experts and advocates. Second, the organization will compile a data base of best practices and successful experiences already tried and tested in countries to promote good governance in the public pharmaceutical sector.

“Corruption is a worldwide problem, rife in high- and low-income countries alike, and no country should feel embarrassed to talk about it,” said Dr Hans Hogerzeil, WHO Director of Medicines Policy and Standards. “But low income countries are the most vulnerable, and they are the ones we will initially support in promoting more transparent, money-saving tactics.”

A two-day meeting to set out strategies and set up the new initiative is taking place at WHO Headquarters, Geneva, on 30-31 October 2006.

For more information or to consult experts at the end of either day please ring:

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*Transparency International, Global Corruption Report 2006

<http://www.transparency.org/publications/gcr>

For WHO's work on good governance in the medicines sector, please see:

<http://www.who.int/medicines/areas/policy/goodgovernance/home/en/index.html>