

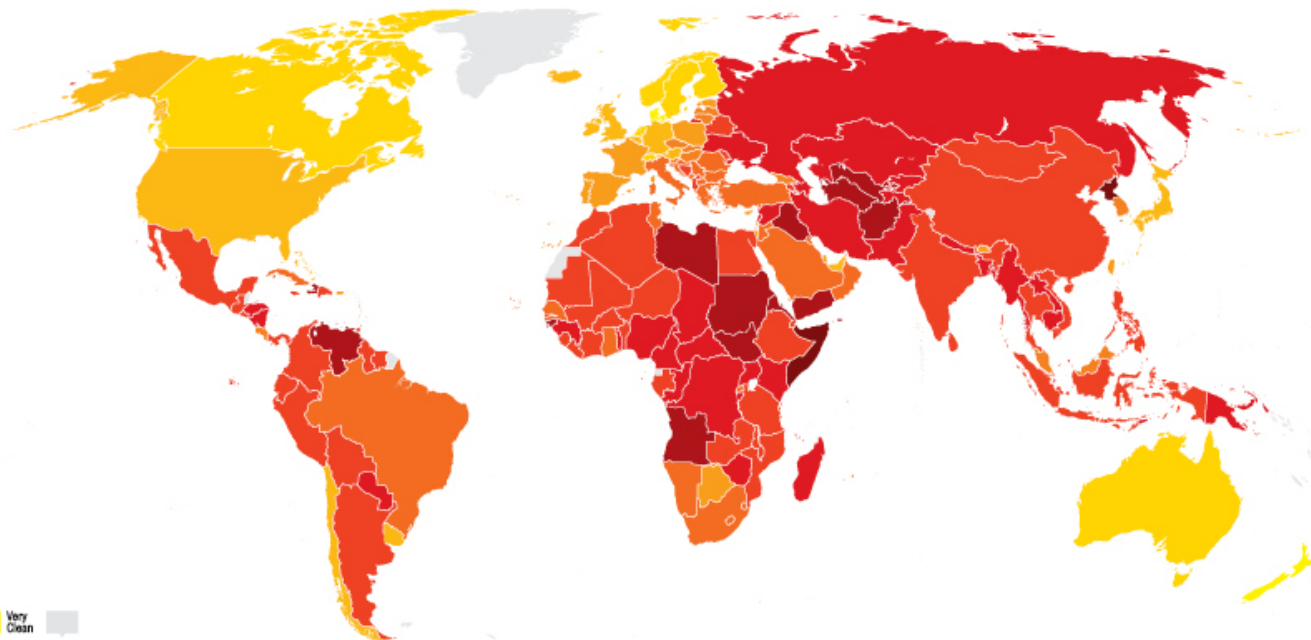
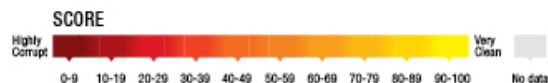
CORRUPTION IN THE PHARMACEUTICALS & HEALTHCARE SECTOR

INTERNATIONAL PHARMACEUTICAL COMPLIANCE CONGRESS
MAY 11 2015

Robert Barrington, Executive Director
Transparency International UK

CORRUPTION PERCEPTIONS INDEX 2014

The perceived levels of public sector corruption in 175 countries/territories around the world.



RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE
1	Denmark	92	21	Chile	73	61	Croatia	48	100	Algeria	36	136	Nigeria	27	156	Zimbabwe	21
2	New Zealand	91	23	Uruguay	73	61	Slovenia	58	80	Bosnia and Herzegovina	39	136	Russia	27	156	Burundi	20
3	Finland	89	24	Austria	72	42	Cape Verde	57	100	China	36	119	Mozambique	31	142	Syria	20
4	Sweden	87	25	Bahamas	71	43	Korea (South)	55	103	Suriname	36	119	Sierra Leone	31	142	Uganda	26
5	Norway	86	26	United Arab Emirates	70	43	Latvia	55	103	Bolivia	35	119	Tanzania	31	142	Ukraine	26
5	Switzerland	86	26	Estonia	69	43	Malta	55	103	Mexico	35	119	Vietnam	31	142	Bangladesh	25
7	Singapore	84	26	France	69	43	Guyana	30	103	Moldova	35	124	Guyana	30	145	Guinea-Bissau	19
8	Netherlands	83	26	Qatar	69	47	Costa Rica	54	103	Niger	35	124	Mauritania	30	145	Guinea	25
9	Luxembourg	82	29	Saint Vincent and the Grenadines	67	47	Hungary	54	107	Argentina	34	126	Azerbaijan	29	145	Kenya	25
10	Canada	81	30	Bhutan	65	47	Mauritius	54	107	Djibouti	34	126	Gambia	29	145	Lao	25
11	Australia	80	31	Botswana	63	47	Brazil	43	107	Indonesia	34	126	Honduras	29	145	Papua New Guinea	25
12	Germany	79	31	Cyprus	63	49	Bulgaria	43	110	Albania	33	126	Kazakhstan	29	150	Central African Republic	24
12	Iceland	79	31	Portugal	63	49	Greece	43	110	Ecuador	33	126	Nepal	29	150	Paraguay	24
14	United Kingdom	78	31	Puerto Rico	63	49	Italy	43	110	Ethiopia	33	126	Togo	29	152	Congo Republic	23
15	Belgium	76	35	Poland	61	49	Romania	43	110	Kosovo	33	126	Madagascar	28	152	Tajikistan	23
15	Japan	76	35	Taiwan	61	49	Senegal	43	110	Malawi	33	133	Nicaragua	28	154	Chad	22
17	Barbados	74	37	Israel	60	49	Swaziland	43	115	Cote d'Ivoire	32	133	Timor-Leste	28	154	Democratic Republic of the Congo	22
17	Hong Kong	74	37	Spain	60	49	Montenegro	42	115	Dominican Republic	32	136	Cameroon	27	156	Cambodia	21
17	Ireland	74	39	Dominica	58	49	Sao Tome and Principe	42	115	Guatemala	32	136	Iran	27	156	Myanmar	21
17	United States	74	39	Lithuania	58	49	Serbia	41	119	Belarus	31	136	Kyrgyzstan	27	156	Lebanon	27
						55	Saudi Arabia	49	80	Benin	39	94	Panama	37			

TI's new Pharmaceuticals & Healthcare Programme



- Why are we doing it?
- What is the problem?
- What have we learnt so far?
- What will we do?
- What impact are we seeking?



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



Why are we doing it?

GOAL: IMPROVING GLOBAL HEALTH AND HEALTHCARE OUTCOMES
FOR THE BENEFIT OF ALL PEOPLE OF ALL AGES

PURPOSE: TO ACHIEVE GENUINE CHANGE IN THE PHARMACEUTICALS &
HEALTHCARE SECTOR THROUGH REDUCING CORRUPTION AND
PROMOTING TRANSPARENCY, INTEGRITY AND ACCOUNTABILITY

- Impact on lives of ordinary people
- Known levels of corruption
- Views of stakeholders
- Support from TI chapters globally



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SCHOOL of
HYGIENE
& TROPICAL
MEDICINE



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RELIEF



Foreign &
Commonwealth
Office



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AstraZeneca

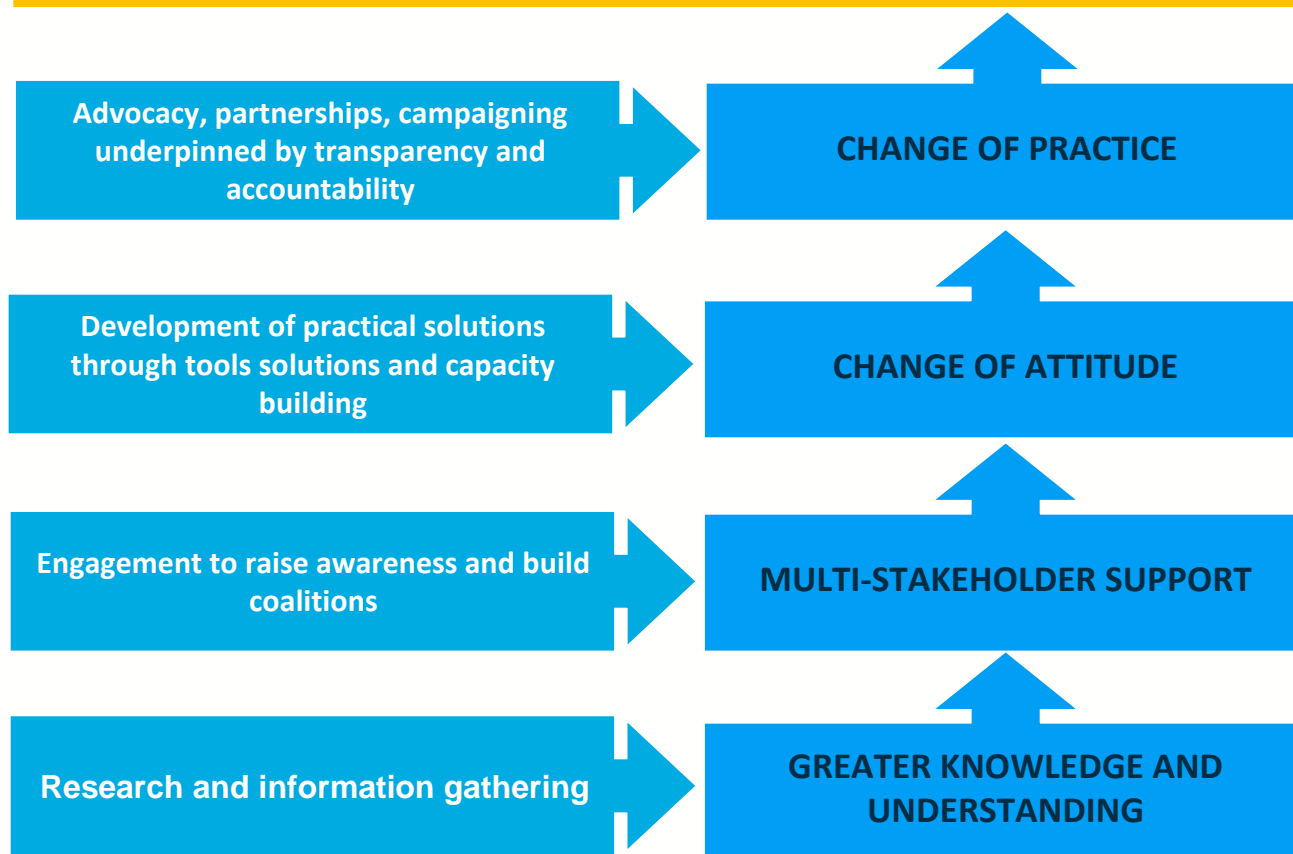


access to
medicine
index

THEORY OF CHANGE



IMPROVING GLOBAL HEALTH AND HEALTHCARE OUTCOMES FOR THE BENEFIT OF ALL PEOPLE OF ALL AGES.





What is the problem?

Five areas of focus

- Procurement and distribution
- Marketing practices
- Manufacturing including counterfeits
- Registration processes
- Research & Development



PHARMACEUTICAL & HEALTHCARE VALUE CHAIN





What have we learnt so far?

- Need to look at entire chain
 - Pharma and Healthcare
- Entrenched practices and positions
- Citizens (patients) are angry
- Transparency is a game-changer
- Pharma companies can lead change



What will we do?

- Research
- Indices
- Standard-setting
- Company, government and civil society engagement
- In-country projects
- Global advocacy



Learning from other sectors

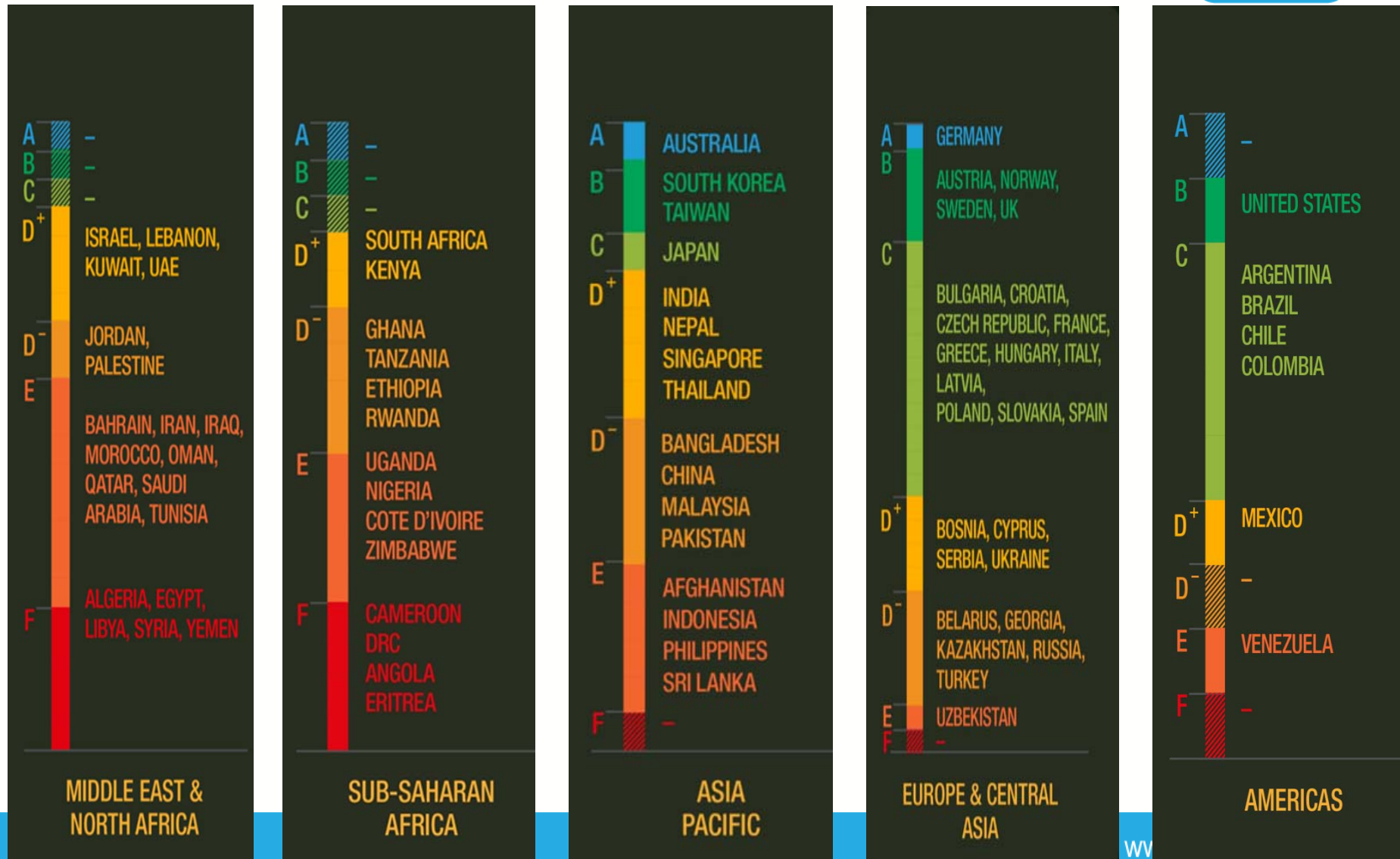
- Single-sector companies often perform worse
- Commercial confidentiality often cited as reason for non-transparency
- State-owned and national champions often poor performers
- Good practice not restricted to developed countries

TI'S DEFENCE COMPANIES ANTI-CORRUPTION INDEX



BECHTEL LOCKHEED MARTIN	A (4)	FLUOR CORPORATION RAYTHEON			
ACCENTURE BABCOCK COBHAM EXELIS INC. FUJITSU HEWLETT-PACKARD MFGGITT QINETIQ ROCKWELL COLLINS SERCO GROUP THYSSENKRUPP AG UNITED TECHNOLOGIES	B (23)	AIRBUS GROUP DAE SYSTEMS CSC FINMECCANICA GENCORP KBR NORTHROP GRUMMAN RAFAEL ADVANCED DEFENSE SYSTEMS ROLLS-ROYCE THALES ULTRA ELECTRONICS	AAR AIDC ASELSAN DHARAT ELECTRONICS LIMITED GORKY AUTOMOBILE PLANT ITOCHU LIG NEX1 NAVANTIA RUAG ZODIAC AFROSPACE	E (19)	THE AFROSPACE CORPORATION AM GENERAL BHARAT EARTH MOVERS LIMITED DOOSAN DST ISRAEL MILITARY INDUSTRIES KAWASAKI HEAVY INDUSTRIES MOOG RTI SYSTEMS SUMITOMO CORPORATION
ATK BOOZ ALLEN HAMILTON DAEWOO SHIPBUILDING & MARINE ENGINEERING ELBIT SYSTEMS FINCANTIERI GENERAL DYNAMICS KARRIS CORPORATION ISRAEL AEROSPACE INDUSTRIES KONGSBERG LEIDOS NAMMO OSHKOSH SAAB TEXTRON	C (29)	BOEING CHEMRING DAY & ZIMMERMANN DYWIDOR INTERNATIONAL EMBRAER GE AVIATION GKN HONEYWELL JACOBS ENGINEERING L-3 COMMUNICATIONS MISSION ESSENTIAL NEC CORPORATION PATRIA SAIC URS	AAL ADVANCED ELECTRONICS COMPANY ANTONOV ARSENAL ASC BATTELLE BELTECHEXPORT COMPANY CEA TECHNOLOGIES DAMEN SCHELDE NAVAL SHIPBUILDING FADEA HEAVY INDUSTRIES TAXILA HIRTENBERGER GROUP INDIAN ORDNANCE FACTORIES IRKUT CORPORATION KBP INSTRUMENT DESIGN BUREAU KING ABDULLAH II DESIGN AND DEVELOPMENT BUREAU KRAUSS-MAFFEI WEGMANN THE MITRE CORPORATION NORINCO POLISH DEFENCE HOLDING PT DIRGANTARA INDONESIA RUSSIAN HELICOPTERS SATUMA SRA INTERNATIONAL ST ENGINEERING TATRA TRUCKS TOPAZ TURKISH AEROSPACE INDUSTRIES URALVAGONZAVOD ZASTAVA ARMS	F (57)	ABU DHABI SHIP BUILDING ALMAZ-ANTEY ARAB ORGANIZATION FOR INDUSTRIALIZATION AVIATION INDUSTRY CORPORATION OF CHINA BOUSTEAD NAVAL SHIPYARD CHINA SHIPBUILDING INDUSTRY CORPORATION DASSAULT AVIATION GENERAL ATOMICS HERSTAL GROUP IGMAN D.D. KONJIC IRAN ELECTRONICS INDUSTRIES JAPAN MARINE UNITED KHARKOV STATE AIRCRAFT MANUFACTURING COMPANY KOREA AEROSPACE INDUSTRIES M.C. DLAN NEXTER GROUP PAKISTAN ORDNANCE FACTORIES POONGSAN CORPORATION RSK MIG SAPURA SECURED TECHNOLOGIES SC UZINA MECANICA CUGIR SA SRC, INC SUKHOI TERMA TACTICAL MISSILES CORPORATION UNITED ENGINE CORPORATION WYLE
ALION SCIENCE AND TECHNOLOGY AVIO CACI CUBIC DCNS DIEHL STIFTUNG FLIR SYSTEMS HUNTINGTON INGALLS INDUSTRIES MAKTECH MITSUBISHI ELECTRIC MTU AERO ENGINES OTOKAR RHEINMETALL SAMSUNG TECHWIN TOSHIBA VSE	D (31)	AVIBRAS INDUSTRIA AEROSPAIAL BAE AEROSPACE & TECHNOLOGIES CORP BAE CURTISS-WRIGHT CORPORATION DENEL ESTRI INF TECHNOLOGIES HINDUSTAN AERONAUTICS INDRA MBA MISSILE SYSTEMS MITSUBISHI HEAVY INDUSTRIES NAVISTAR PRECISION CASTPARTS CORP. SAFRAN TELEDYNE TECHNOLOGIES TRIUMPH GROUP			

TI'S GOVERNMENT DEFENCE ANTI-CORRUPTION INDEX





What impact are we seeking?

- Game-changing approaches by companies
- Government healthcare delivery that is fair and effective
- Better outcomes for patients



How is the relevant to pharma compliance?

- Greater scrutiny
- Emerging global standards
 - and level playing field
- Challenges for the compliance function
 - eg lobbying, research, incentives
- Reward for good practice
- Potentially disruptive
 - to long-established practices