



TRANSPARENCY INTERNATIONAL - PAKISTAN

Responsible Citizenship: Bedrock of Democracy



“Democracy is a high privilege, but it is also a heavy responsibility whose shadow stalks, although you may never walk in the sun”

- Adlai Stevenson

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“It is not only for what we do that we are held responsible, but also for what we do not do.”
Moliere



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Success Story: Fighting Corruption in the Pharmaceutical Sector

High healthcare cost in Pakistan is becoming a major financial burden on millions of households in the country. Pakistanis, on average, lose an equivalent to 49 years of healthy life per 1000 population due to ill-health and early life deaths. Behind these gloomy numbers lie the distressing stories of millions of people who cannot afford to pay high medical costs and are left to cut their lives short. This is not surprising for a country where public health delivery is deprived of quality, private healthcare is exorbitant and disparate, and national health insurance system lacks population outreach.

The recent recurrent undue hikes in drug prices in Pakistani market have further aggravated the public outcry at the state of healthcare affordability. The price surge, which has been witnessed over multiple phases across the retail outlets all over the country, is hitting the

middle and low-income population the hardest. Many patients of diabetes, cardiac diseases, hepatitis, cancer, and gynecological-related problems are left with no choice but to pay out of pockets to buy medicines at over-inflated rates or else endanger their lives.

TI-Pakistan actively intervened in the issue after its Advocacy & Legal Advice Centre received a number of complaints from general citizens regarding the substantial increase of prices of drugs. It carried out a detailed research into the current Drug Pricing Policy to identify the loopholes in the pricing mechanism which has been adopted by the Drug Regulatory Authority (DRAP).

TI-Pakistan discovered that the DRAP not only raised their prices three times in a row within a

period of 12 months, but also revised the pricing policy to manipulate the price increase. As a result, in the pricing formula the mark up on the manufacturing cost increased five times from 70pc in 2015 to 240/355pc in 2018 even though the manufacturing cost had already accounted for the effect of inflation and devaluation in the formula. The increased factor multiplied the retail price of medicines of various categories by several folds.

The exploitation of the drug pricing formula within a short period to surge the drug prices is certainly linked with corruption in the pharmaceutical sector and the strong influence of the corrupt mafia to extort unfairly high prices from the ordinary people. Due to the absence of monitoring mechanism in the country to control illegally high drug and penalize the violation of drug policies, it is the ordinary citizen who has to pay the cost of the corruption in the pharmaceutical sector.

In an endeavor to break this cycle of exploitation and corruption in the pharmaceutical sector, TI-Pakistan undertook the process of probing with DRAP related to the recent increase in prices and the manipulation of the pricing formula by the pharma companies.

Throughout its involvement, TI-Pakistan actively pressed the DRAP, Ministry of National Health Services, Regulations and Coordination, Government of Pakistan, and Pakistani media while also calling the attention of other key authorities including National Accountability Bureau (NAB) and Supreme Court of Pakistan. TI Pakistan also gave an interview to the media which was published in the leading newspaper of Pakistan.

As a result of TI-Pakistan's consistent efforts to keep surfacing the issue and questioning the concerned authorities, the Government of Pakistan finally imposed a 75 percent cap on the increase in drug prices.

By effectively advocating for putting a check on the illicit surge in drug prices, TI-Pakistan has not only put a check on illegally ever-increasing drug prices in Pakistan but also compelled the regulatory bodies to bring forth effective monitoring reforms to control pharmaceutical corruption and regulate the drug pricing mechanism in the country.

Editor: Ms. Farkhanda Jabeen

USAID Anti-Fraud Hotline

The conclusion of this quarter marks the successful completion of the third quarter of ninth year since the inception of Anti-Fraud Hotline. AFH has thus far played a pivotal role in ensuring transparency and prevention of fraud and corruption in the utilization of USAID funds across Pakistan. The activities of AFH have consequently resulted in the USAID funds reach the targeted beneficiaries, for whom the resources had been allocated.

Since its inception, the Hotline continues to provide USID OIG with the necessary information into alleged corruption cases in various USAID funded projects across the country. The investigations carried out have thus far lead to substantial savings of American taxpayer's money with recoveries of funds worth millions of U.S dollars and subsequent termination of corrupt

employees of respective organizations. In consideration of the resounding success in achieving its objective, an agreement was duly signed between USAID and TI Pakistan in September 2017 to extend the Hotline for another two years.

The AFH complaint management cell has staffed multilingual trained complaint management officers, who receive complaints through various mediums such as the toll free hotline, SMS, WhatsApp, email and direct upload on to the AFH website. After a careful review by the senior management staff of the AFH team the complaints are uploaded on to the AFH website. Only OIG and TI Pakistan authorized personnel can view the complaints thus ensuring integrity of the complainant's information.

In the reporting quarter, AFH received over 2450 calls, and as a result 90 complaints were registered. Since its inception in January 2011, AFH has effectively handled over 110,900 calls which have resulted in the successful formulation of more than 8,500 complaints. Over the years, these complaints have provided USAID/OIG with useful and informed insight into corrupt practices in a number of USAID funded projects.

AFH Public Outreach Campaign 2019

Anti-Fraud Hotline's Public Outreach campaign, which was commenced in January 2019, successfully concluded its 2nd phase of distribution of AFH branded materials to beneficiaries of USAID's assistance in Pakistan. The recipients under the 2nd phase were the members of School Executive Committees (SMC) from different schools across different districts in Sindh where USAID-funded Community Mobilization Program (CMP) is working. The purpose of this activity pertained to raising awareness on Anti-Fraud Hotline (AFH) to report any such occurrences and expand its outreach amongst beneficiaries of USAID funded initiatives.

FRAUD AWARENESS AND PREVENTION

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USAID Anti-Fraud Hotline

As part of its public outreach campaign, the AFH reached out to the beneficiaries of Community Mobilization Program being implemented by Blumont and distributed the AFH branded materials across eight districts namely Qamber-Shahdad Kot, Karachi, Kashmore, Sukkur, Larkana, Jacobabad, Dadu, and Khairpur.

The beneficiaries who received the AFH-branded Giveaways are the mentors from respective districts. The distribution ceremonies were conducted towards the conclusion of CMP Workshops in which the participants were informed about the work of Anti-Fraud Hotline and the purpose of AFH Public Outreach Campaign as well.



Strengthening Citizen Engagement in Governance



Under its Citizens Voice Against Corruption (CVAC), TI Pakistan is strengthening citizens engagement in governance by empowering them on the usage of Right to Information laws.

In this quarter, CVAC organized two RTI training workshops - one in District Badin, Sindh on 'Sindh Transparency and Right to Information Act 2017' and the other in Pir Mehal, District Toba Tek Singh, Punjab on 'Punjab Transparency and Right to Information Act 2013'.

The RTI experts trained the citizens on the process of writing RTI

RTI applications, role of public bodies, and the Information Commissions, and proactive disclosure.

Besides this, the CVAC also organized meetings with civil society organizations (CSOs) in Quetta to discuss the shortcomings of Balochistan Freedom of Information Act 2005.

The meeting was also meant to advocate with the legislatures for the enactment of the improved version of the RTI Act in Balochistan



Citizens Participation in Local Governance

In our effort to enhance social accountability in the country, different sessions between local government representatives and citizens were organized in districts of Toba Tek Singh, Lahore, and Badin respectively.

The members of local government responded to the concerns raised by citizens regarding the poor performance of the local government pertaining to service delivery.

TI Pakistan also delivered Mid-Career Management training at National Institute of Management to government officials from Grade 17 to 19 on Social Accountability Tools/Approaches.

In this quarter, TI Pakistan also conducted a Citizen Report Card (CRC) study to evaluate the performance of public education sector in Kallat and Sourab districts, Balochistan. The objective of the CRC study is to promote social accountability in different sectors through citizens feedback.

According to the results of the study, the schools were significantly short of teachers, particular female teachers, as well as basic amenities such as drinking water, clean toilets, and security.

In coming weeks, TI Pakistan intends to share findings of the study with relevant stakeholders.





GENDER AND CORRUPTION PROGRAM

Corruption often disproportionately affects women. TI Pakistan's Gender and Corruption program is designed to reduce prevailing gender gaps

In this quarter, TI Pakistan started a pilot project on Gender Equality with the funding support from Transparency International Secretariat. The objective of the Gender Project is to advocate selected female population of Jamshoro, Hyderabad and Mirpurkhas districts regarding topics on their basic rights. The objective is also to provide assistance to the non-voting females of the district in getting their Computerized National Identity Cards (CNIC) made so they can be registered as voters.

In line with the objectives of the program, TI Pakistan in partnership with local partner organization successfully conducted 07 Community Awareness on Gender Equality, Family Laws and Gender Corruption in Hyderabad, Mirpurkhas, and in the villages Babu Goth, M. Ali Halepoto, Abdin Goth, Khunbari, Bashir Rao, Sindh Province.

TI Pakistan representatives highlighted the rights of the women and briefed them on Family Laws, Health, Education and corruption issues faced by them. About 35 to 40 women attended each session. An interactive discussion took place where the women talked about the issues they face domestically and in their communities.

It was observed that women are taking more interest in Gender based issues and want to change their lives to attain their basic rights and want gender equality. The registration of women's CNICs was the main issue because many women did not even have Nikkah Namas made in the first place which was a requirement of NADRA. In this situation TI-P and partner organizations will help them in CNIC registration.