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Bad pharma: Trafficking illicit medical products in Burkina Faso and Guinea

Flore Berger and Mouhamadou Kane

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Summary

West Africa has become a hotspot for the trafficking of medical products, with estimations that the illicit market makes up to 80% of medical products in Burkina Faso and Guinea, the two case studies of this brief. Despite its enormous scale, there are gaps in knowledge that this report seeks to address by providing a qualitative analysis of the market's key characteristics and enablers (corruption and insecurity), and an assessment of national and regional responses.

Recommendations

- The complex supply chains feeding the illicit market for medical products dictate that responses must be international, and at the very least regional, to be effective. ECOWAS hence has a key role to play at the regional level to enhance cross-border intelligence gathering and cooperation.
- National authorities are best placed to tackle the structural drivers (affordability and accessibility) behind the demand for illicit medical products, and should work simultaneously on awareness campaigns, as well as on wider distribution of and access to key high-demand products such as antimalarials.
- Civil society has a key role to play. In addition to supporting the awareness-raising effort, civil society is also central in holding people accountable (including customs officials and politicians, for example) by denouncing cases of corruption and malfeasance.

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Organised Crime: West African Response to Trafficking

Introduction

West Africa has become a hotspot for the trafficking of medical products. Smuggled medical products are estimated to make up between 20% and 60% of the formal market across the whole region,[1] and up to 80% in Burkina Faso and Guinea.[2] According to the UN Office on Drugs and Crime (UNODC), the sale of illicit medical products in West Africa is worth about US$1 billion, more than the combined value of the crude oil and cocaine trafficking markets.[3]

The sale of counterfeit medical products in West Africa is worth more than the combined value of the crude oil and cocaine trafficking markets

Ongoing violence and instability in Burkina Faso have contributed to a sharp expansion of the market, and its porous borders have emerged, alongside the seaport in Conakry, Guinea, as major smuggling routes.

The involvement of criminal organisations in trafficking medical products is well established,[4] but we still do not fully understand, for instance, how these illicit economic networks operate as a whole across many countries in West Africa. All the evidence suggests that the market for counterfeit products is highly lucrative. Its value has been estimated at between US$200 billion and US$431 billion, rivalling the US$435-billion illicit medicine industry,[5] and, while the sale of substandard and counterfeit medical products is a growing global challenge, it is particularly prevalent in developing regions.

The World Health Organization (WHO) has found that one in every ten products sold in low- and middle-income countries is either 'substandard or falsified.'[6] Almost half of reported counterfeits are from Africa, where limited local production of genuine medical products has contributed to a market penetration rate of 30%, compared to 1% in more developed countries.[7]

Globalisation and complex, cross-border supply chains have made it more difficult to monitor the quality of manufactured medical products and trace counterfeits.[8] Ineffective regulation, weak enforcement, corruption and resource shortages have helped the illicit market to thrive in West Africa and across the continent more broadly, with counterfeit medical products becoming a major development issue.[9]

According to the WHO, 90% of African countries have minimal to no capacity to regulate medical products,[10] due mainly to insufficient resources and understaffing in regulatory bodies, and poor-quality assurance mechanisms.[11]

The illicit trade in medical products also poses a major challenge from a governance perspective, feeding into, and being fed by, endemic corruption. According to Transparency International's 2022 Corruption Perception Index, West African states have some of the highest levels of perceived corruption, with Guinea and Burkina Faso scoring 25 and 42, respectively, on a scale of 0 (highly corrupt) to 100 (very clean).[12] Weak regulatory frameworks in these countries have made the sector highly susceptible to corruption,[13] with state authorities and individual medical workers helping illicit producers to reach distributors and retailers directly.[14]

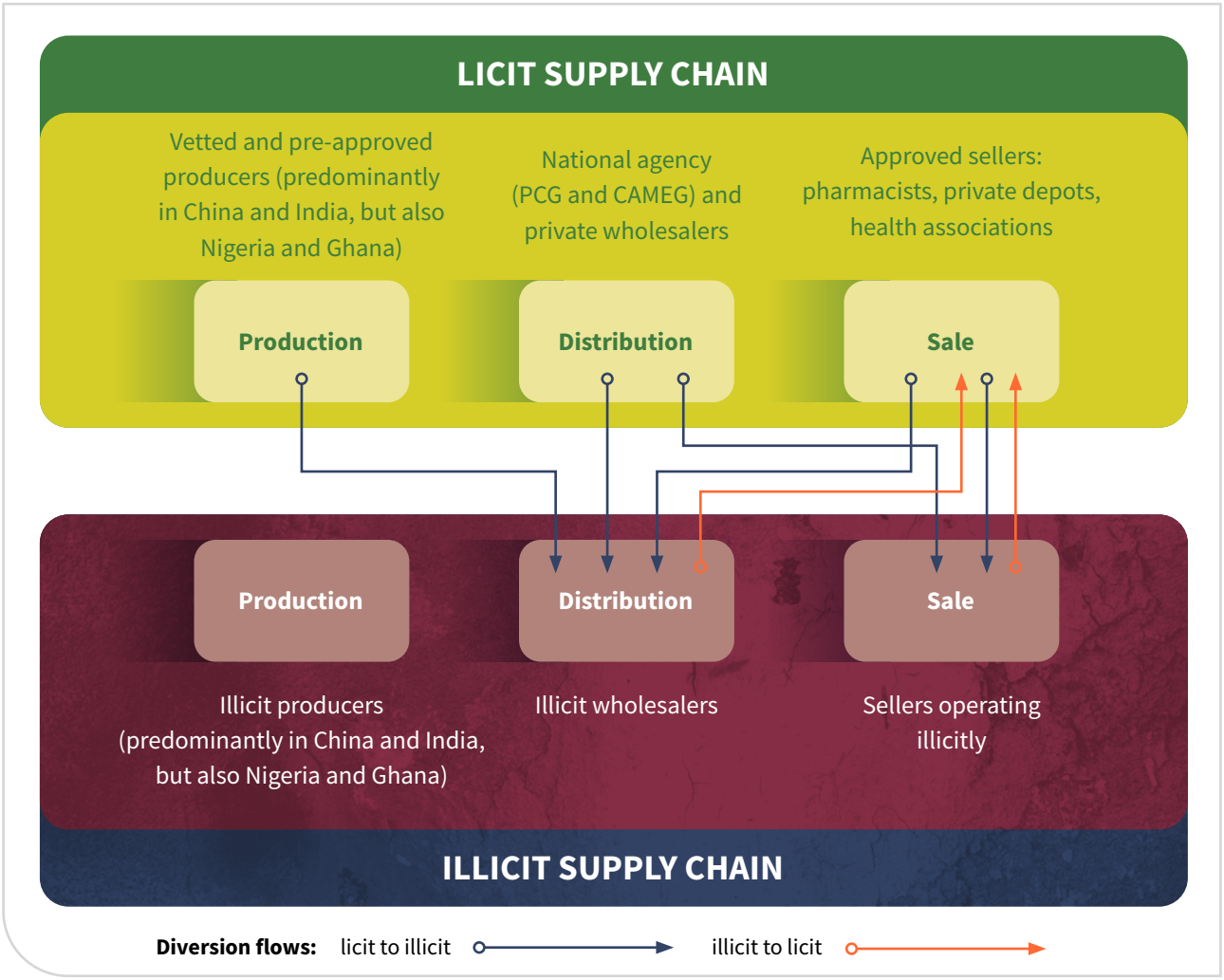
In this brief, which looks at the evolving criminal trade in medical products in West Africa, we use the term 'illicit trafficking of medical products' to refer to all trade that falls to some extent outside of the formal supply chain, that is to say, trade that is not recognised or authorised by national authorities.[15] This includes all categories of 'substandard, spurious, falsely labelled, falsified, and counterfeit (SSFFC)' products, as defined by the WHO,[16] which allows us to focus on the illicit nature of the market, rather than the type of product.

The various flows and interlinkages between the licit and the illicit supply chain, as well as the actors involved in it, are extensively mapped out in the accompanying, more detailed report. This research focuses on the illicit market for medical products, within which a medical product may enter and exit the illegal sphere at many different points.

Market dynamics and drivers

A distinction can be drawn between flows that are illicit from start to finish and those that are licit to begin with but are later diverted into the illicit market (or vice versa). Diversion can happen at the production, distribution and selling stages. These flows are illustrated in Chart 1, which highlights just how interwoven the licit and illicit markets are, as well as the diversity of the actors involved, from the corrupt health worker to the street dealer, the illicit wholesaler to the local pharmacist.

Chart 1: Intersection between licit and illicit supply chains of pharmaceutical products



Source: Authors

The illicit market is not confined to high-value medical products or well-known brand names but is split almost evenly between generic and patented products. Products range from expensive hormones, steroids and cancer treatments to inexpensive generics, such as paracetamol. In West Africa, which has some of the highest rates of malaria on the continent, the most common types of counterfeits are antimalarial drugs, with estimates that 48% of the market (around US$438 million) comes from illicit sources.[17] Other major categories include antibiotics and antiretrovirals (for HIV/AIDS), given the high rate of communicable diseases in the region.[18]

The illicit market is split almost evenly between generic and patented products

The illicit market adapts to shifting demand, maximising profits during certain periods, for example, antimalarial treatments during the malaria season (August to November in West Africa) or medical

products for coughs, colds and fevers during the winter season (November to February). Supply chains also react quickly to meet new sources of demand – such as for vaccines during meningitis outbreaks.[19]

Drivers for illicit actors to enter the market are a combination of high profitability and low risk. Profits are made by illicit actors from different products, at various points and levels in the supply chain. From the street seller to the manufacturer, all actors involved in the illicit market for medical products are driven by profit. While no comprehensive data exist for West Africa, the annual profits of the global market range from US$30 billion to US$75 billion and West Africa is a key market.[20]

Moreover, the profit-to-investment ratio is high: the international Institute of Research Against Counterfeit Medicines (IRACM) estimates that the turnover of the counterfeit medical products market is 20 times that of the heroin market,[21] while Pfizer assessed that one kilogram of heroin has higher production costs and a lower street value than the same amount of counterfeit Viagra.[22] Counterfeiting is just one aspect of the illicit market, which also includes substandard, spurious and falsely labelled products, meaning that the total market is even larger.

Counterfeiting is just one aspect of the illicit market, which also includes substandard, spurious and falsely labelled products

While achieving high levels of profit, actors also face relatively little risk, especially compared to the risks inherent in cocaine or heroin trafficking. Guinea has a specific legislative framework that criminalises trafficking of medical products and outlines sentences of 5 to 10 years in prison, compared with 10 to 20 for controlled drugs[23] – but it is an outlier among West African countries.

Burkina Faso, for instance, has no law criminalising illicit medical products trafficking and instead has to rely on parts of the health code (e.g. illegal conduct by pharmacists) and the broader penal code (e.g. counterfeiting goods) – meaning that penalties cannot exceed two years, compared with 10 to 20 years for controlled drugs.[24] This attractive combination of high reward–low risk has driven a significant expansion of the market in West Africa. Some actors are transitioning from other illicit economies, such as construction, into the illicit medical products market.[25]

Drivers for consumers are access, cost and legitimacy. In terms of access, formal channels are not able to fully meet the demand, in a region with a high rate of communicable diseases, with HIV/AIDS, tuberculosis, malaria and neglected tropical diseases (NTDs). The region has a very low number of

Market stall in an enclosed market area in Conakry, Guinea

pharmacists per capita. Burkina Faso and Guinea are now both at 0.15 per 10 000 inhabitants, well below the global average of 4 and also below the sub-Saharan Africa average of 0.8.[26] In Burkina Faso, the dearth of official pharmacies has become particularly acute as large swathes of the country experience a high degree of insecurity.

For consumers, medical products across the spectrum are consistently cheaper through illicit channels

The second major driver for consumers is cost, as medical products across the spectrum are consistently cheaper through illicit channels. Just as for retailers at the lower and higher ends of the market, individual consumers and health workers (pharmacists, nurses, doctors) can access a wide range of common medical products for between 30% and 60% less than equivalent products on the formal market.

Finally, the illicit market enjoys a high degree of legitimacy. Retailers and wholesalers claim that their medical products are good quality and that people are happy with them – in the words of one wholesaler, 'even pharmacists come to us!'[27] Consumers trust these informal sellers, from large wholesalers in open-air markets to street sellers, whom they perceive not as criminals but as people providing access to medical products without charging for a consultation.

Recommendations

Given the scale of this criminal economy, the legitimacy that illicit sellers enjoy and the level of corruption that enables the market to thrive, as well as dependence of many individuals on it, crackdowns and strong law enforcement measures (in the form of seizures) are unlikely to have a lasting impact if other measures are not taken in parallel. To shrink the illicit medical products market in a sustainable and long-term manner, the issues driving the demand for illicit medical products, namely accessibility and affordability, must be addressed. If these structural problems are not tackled, other interventions are likely to yield patchy or short-term results.

Economic Community of West African States

The ECOWAS commission is central to the response to this illicit economy, and should devote resources to tackle the trafficking of medical products in a stronger and more comprehensive way. The complex supply chains feeding the illicit market of medical products dictate that responses must be international, and at the very least regional, to be effective.

- ECOWAS has a key role to play at the regional level to enhance cross-border intelligence gathering and cooperation. One member state alone will not be able to tackle the circulation of illicit medical products, as trafficking routes will merely shift rather than disappear if actions are not coordinated regionally. ECOWAS is well positioned not only to spearhead analyses of regional market drivers and price differences that incentivise smuggling, but also to ensure that responses are coordinated between member states, driving a more holistic regional approach.[28]
- Key to this is integrating medical product trafficking fully into the work of the commission, and more specifically the Drug Unit. Responses to the trafficking of illicit medical products must be made a priority, and not be considered secondary to narcotics.
- The ease with which illicit medical products can enter, circulate and be sold in the subregion should be addressed by systematic data gathering and reporting systems at the national level but coordinated by ECOWAS. ECOWAS should support the development of national reporting tools and maintain a regional database that could be used to better understand the illicit market and design evidence-driven action.

National authorities

National authorities, with the support of regional bodies, are best placed to tackle the structural drivers of illegal trafficking by addressing the demand for medical products.

- Given that there is particularly high demand for smaller classes of medical products – including antimalarials – improving access to these products could make a significant dent in the illicit market.
- Investments in awareness campaigns highlighting the risks of purchasing medical products on the illicit market can also shape purchasing decisions.
- Criminal justice and law enforcement approaches must be carefully tailored to the criminal – rather than just informal – elements of the market, especially the high-level importers and illicit manufacturers, who are central to market dynamics. Criminalising, and enforcing penalties on, low-level informal sellers is unlikely to shrink the market and instead make it more clandestine.
- Legal provisions relating to the trafficking of medical products are either limited, outdated or lack deterrent effect given the low penalties.[29] The trafficking of medical products should not be seen as a lesser priority, which results in criminal networks entering the market (sometimes transitioning from other businesses) because of the high profitability and low penalties.
- National authorities should improve regulatory frameworks, focusing on high-level actors within the trade (i.e. manufacturers, wholesalers and sellers) and those protecting it (i.e. corrupt health agents, customs and security officials, and political figures).
- The crime of trafficking illicit medical products should be included in the penal code of each country as a serious offence, and not only in public health codes or part of pharmaceutical legislation. This would be aided by regional ratification of the MEDICRIME Convention. Burkina Faso and Guinea are the only West African countries to have ratified the convention, although Burkina Faso has not yet incorporated it into its national criminal law.

Civil society organisations

Civil society organisations have a key role to play in the fight against illicit medical products. Of particular importance are pharmacists' and doctors' associations, as well as health organisations, as these are in contact with communities on a daily basis.

- A key priority should be reshaping narratives around the risks of using illicit medical products with awareness and information campaigns, as measures to address the market will continue to encounter pushback as long as illicit products enjoy high levels of legitimacy.
- Pharmacists' and doctors' associations should work closely with civil society groups to denounce cases of corruption and malfeasance among members of their own associations – transparency is key to win back the population – and among other stakeholders, such as customs officials, politicians and gendarmeries.

Notes

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About the authors

Flore Berger is an analyst in the Observatory of Illicit Economies in West Africa at the Global Initiative Against Transnational Organized Crime (GI-TOC), with a geographic focus on Mali and Burkina Faso.

Mouhamadou Kane is an analyst in the Observatory of Illicit Economies in West Africa at the GI-TOC, with a geographic focus on Senegal and Guinea.

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