

1. Company ID

Company Name:	IDA foundation (International Dispensary Association Foundation)
Activity Sector:	Non profit supplier of essential medicines and medical supplies
Core Business / Main Activities:	IDA supplies quality assured products at the lowest possible price to low-medium income countries In addition, IDA provides procurement agency services and offers consultancy and training on topics related to pharmaceutical supply management
City/Country:	Amsterdam, The Netherlands
Year of Foundation:	1972
Number of Company Sites (2004):	6; De Meern (NL), Maarsen (NL), India, China, Nairobi, Kenya
Website (if available):	www.idafoundation.org ;
Number of Employees (2004):	Full Time 90 Part Time 20 Women 45 Men 65
Annual Turnover in 2004 (€):	60.000.000

2. Responsible Business Practices – Main Topics

Broad Area(s) of CSR Good Practices:	<input type="checkbox"/> Business Ethics <input type="checkbox"/> Workplace <input type="checkbox"/> Environment <input checked="" type="checkbox"/> Marketplace <input type="checkbox"/> Community
CSR Issue(s):	<ul style="list-style-type: none"> ■ Quality control of production and transport in the supply chain ■ Fair trade in supplying and selling products (green label) ■ Relationships with suppliers and business partners (paying attention from suppliers until customers, especially in undeveloped countries in supporting the development of own medical industry)
Main Drivers to be Responsible:	<ul style="list-style-type: none"> ▪ To provide high quality essential medicines and medical supplies at the lowest possible price to the not-for-profit sector in low and medium income countries
Some Examples of CSR Initiatives in the Broad Area(s) Identified:	<ul style="list-style-type: none"> ▪ For more than 30 years IDA has worked based in its headquarters in Amsterdam. The environment in which its customers operate is changing constantly and IDA felt the need of changing in order to keep abreast of developments, which ultimately should result in better, fully rounded service to its customers. Therefore in January 2005 IDA opened its first regional NGO office: <u>IDA Regional Office Nairobi</u> focusing on Great Lakes and Horn of Africa, i.e. Eritrea, Ethiopia, Kenya, Malawi, Somalia, Sudan, Tanzania, Uganda, Zambia
Are the Good Practices integrated into a broader Business Strategy? Yes/No? How?	<p>Yes. See above, and also:</p> <ul style="list-style-type: none"> ▪ By training local people to become experts in producing and supplying medicines ▪ Stimulating local factories or co-operating with them in low income countries like India and China
Business Benefits:	<ul style="list-style-type: none"> ▪ Very good reputation – customer feedback, number of customers ▪ International recognition
Stakeholders/Beneficiary Groups addressed by the CSR Good Practices:	<ul style="list-style-type: none"> ▪ Patients in the developing countries ▪ Local professionals ▪ Local initiatives (economy) in developing countries
Benefits for Society/Stakeholders:	<ul style="list-style-type: none"> ▪ Training and supporting local initiatives for producing and supplying medicines ▪ Medicines at reduced prices ▪ Local economy stimulation

<p>To Whom and How did the Company Communicate their Actions:</p>	<ul style="list-style-type: none"> ▪ WHO (World Health Organisation) ▪ Governments, local governments and the Dutch government ▪ Medicine suppliers
<p>Awards / Certifications / Marks of Honour:</p>	<ul style="list-style-type: none"> ▪ ISO 9001:2000 ▪ GMP certified ("Good Manufacturing Practice Regulations" is a performance standard promulgated by the US Food and Drug Administration)
<p>Difficulties Found in the Good Practices Implementation:</p>	<ul style="list-style-type: none"> ▪ The IDA foundation started with working only in good practice. Most difficult in this approach is to find the right partners working based on the principles of fair trade. It happens sometimes that they meet a partner that does not follow fair trade principles or tries to sell wrong medicines. In those cases IDA foundation stops the co-operation and destroys the materials coming from those partners.
<p>Sources of Further Information:</p>	<p>-</p>

3. Responsible Business Practices – Description

Corporate Social Responsibility is excelled through 3 main areas:

1. To take care for fair trade and production
2. To control the products from supplier until customer
3. To stimulate local initiatives by training local experts and supporting the development of local industry

The key success factors in the process are:

1. Permanent internal and external quality control
2. Working with good products (but products without a patent to reduce the costs)
3. Stimulating local initiatives

Permanent internal and external quality control

IDA's QA process covers the entire supply chain, from manufacturers of the raw materials to delivery of the finished product to the customer.

To ensure compliance with GMP requirements, suppliers and manufacturing sites are carefully selected and frequently inspected by IDA pharmacists according to WHO/GMP guidelines. Each potential manufacturer has to comply with all current GMP standards, but is also reviewed in terms of sources of raw materials, stability studies, and product specifications.

Working with good products (but products without a patent to reduce the costs)

Essential medicines are intended to be available within the context of functioning health systems at all time in adequate amounts, in appropriate dosages, with assured quality and adequate information, and at a price that the individual and the community can afford.

Stimulating local initiatives

Over the past 30 years IDA foundation has been driven by its goal to improve access to quality medicines. In an ever changing world, an increasing number of specific types of medicines have been introduced. A specific knowledge is necessary in order to assure that medication reaches the maximum amount of patients in the shortest time with as little amount of waste as possible. This specific knowledge or capacity needs to be further developed. IDA has therefore created IDA Solutions in order to deliver the knowledge that goes together with the medicines.

One of the key success factors of IDA's policy is its ability to provide pharmaceutical management skills and increase local capacity for public health care initiatives, to ensure access to quality health care services in low and middle income countries.

Customers of IDA Solutions include drug regulating authorities, Ministries of Health, medical stores, international donor organisations, hospitals, wholesale organisations, suppliers and pharmaceutical companies wanting to support the mission of IDA Solutions.

The IDA foundation was based, from the very beginning, on one of the broad area's of CSR - the community. It was set up to make receiving medicines of a good quality possible in the third world. Growing in momentum, other CSR items became a part of the foundation's policy, for example regarding the marketplace IDA is taking responsibility for the products from the suppliers / producers until the customers. Fair trade is highly valued in the management of IDA foundation.

4. Training Exploitation

A). Additional Relevant Information concerning the Exploitation of this Study Case in Training Situations (relevance criteria: broad area(s) of CSR good practices)

NOTICE: The project partnership is aware of the fact that a foundation is not a company. Nevertheless and due to the specific situation of "foundations" in the Netherlands – organised and managed as a company but not for profit oriented – and due to the richness of the case, it was decided to present this responsible business practice.

Description of a foundation

Despite IDA foundation is in legal terms organised as a foundation, the goals and way of working is comparable to a regular SME. The only difference is that the profit generated by this organisation is not going to the "owner" or stockholders, but has to be used for new initiatives related to the aims of the organisation.

IDA foundation is a typical 4th sector organization. In other European countries, it could exist under the statute of social company.

In the Netherlands, there are thousands of foundations, which have the same duties of a regular SME (tax payments, law and regulations compliance, etc).

Doing business with the 3rd world countries

Doing business with developing countries is not easy and is full of risks. In this case, it was the main goal of the foundation and it was possible to start with it because it was based on a not for profit philosophy. A second winning point in this case is that the 'payments' for the clients are done by international organisations as WHO and Red Cross.

The 'profit' made by IDA foundation is used to develop local industry and economy in developing countries. In this way those countries become less dependent on others. It is a long term goal relying on other political decisions in the world.

For regular companies it is also possible to do business with 3rd world countries, even if the company is working only at local or national level. See for this see case study number 8 - 'Natura Pura', with a direct relation with producers in developing countries, or case study number 1 - "Van Dorp Installaties" that started a company foundation to support orphans in Uganda, providing shelter houses, education and integration in employment.

Foundations and Social companies: how you can start one in your country

Similarly to a regular company, a social company should start with a business plan, a market research and a strategic plan. Depending on the local situation, you may have to find a suitable legal statute in which the social company can have the guarantee to fulfil its goals. Usually, if you want to organise your social company as a foundation, you may have to follow different rules. In the Netherlands, for instance, you would have to establish a board, a group of at least 3 people that will be responsible for the management of the foundation. Please check your local legislation.

B) Pedagogical Suggestions concerning the Exploitation of this Study Case in Training Situations (relevance criteria: broad area(s) of CSR good practices)

This case can be presented as a good example of a "social company".

Topics for discussion:

- 4th sector organizations
- Product control through the supply chain
- Fair trade
- developing countries' access to medicines
- Corporate social opportunities