Improving Global Bed Net Procurement: Stakeholder Action Proposal

The Bed Net Industry Dialogue is hosted and facilitated by the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria

- Enhancing Efficiency, Transparency and Accountability
- Industry Action Commitments
- Minimum Standard Procurement Principles
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Context

Global leaders have united around a call to action to ensure that all people at risk of malaria in sub-Saharan Africa have access to prevention and treatment tools by the end of 2010. This would reduce deaths and illness from malaria by half in 2010 and bring deaths to near zero by 2015.\(^1\) This commitment was re-iterated by the UN Secretary General on World Malaria Day 2008 through his call for universal coverage of bed nets by 2010.

The Global Malaria Action Plan, which was launched in August 2008, includes a commitment to ensure universal coverage of long-lasting insecticide treated nets (LLINS) by 2010 in malaria endemic countries. Fulfilling this commitment to procure and distribute approximately 250 million LLINS by 2010 requires the rapid mobilization and coordination of a multi-sectoral coalition of donors, international organizations, malaria endemic and epidemic prone countries, implementing partners, and bed net manufacturers.

Through a decisive and timely response from the donor community, and with investments by the private sector in expanded production and distribution capacity, manufacturing and procurement of bed nets are being significantly scaled up to meet the substantial needs in this region.

The sustainability of such production and distribution can only be ensured through the creation of an efficient and transparent procurement system. The goal is to enable consistent access to quality-assured products, provide cost-effective solutions, utilize donor funds effectively, and ensure market sustainability to eliminate malaria. The donor community and the private sector have taken, and continue to take, significant action regarding procurement-related issues. However many challenges remain, therefore a collaborative approach with broad stakeholder mobilization is needed to facilitate the massive scale up.

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\(^1\) In September 2000, building upon a decade of major United Nations conferences and summits, world leaders came together at United Nations Headquarters in New York to adopt the United Nations Millennium Declaration, committing their nations to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets - with a deadline of 2015 - that have become known as the Millennium Development Goals.
Background on the Bed Net Industry Dialogue

Recognizing the challenges faced by the industry, malaria programs, and the donor community alike in addressing procurement-related issues, members of the private sector took the initiative to establish the Bed Net Industry Dialogue (the “Dialogue”) to serve as a forum for bed net manufacturers and major partners in malaria programming, funding and procurement to work together to enhance the efficiency, transparency and accountability in the malaria bed net procurement system.

The Bed Net Industry Dialogue was facilitated by The Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria (GBC) as a forum for bed net industry members to work together to improve industry and procurement dynamics for increased investment, production, and distribution. While the Industry representatives have met on numerous occasions regarding this issue, GBC convened two Dialogue meetings in January and May 2009 (“Initial Dialogue Meetings”) to advance transparent business and procurement practices and to discuss other key challenges in achieving the Global Malaria Action Plan goals. The Initial Dialogue Meetings were intended as a preliminary step in initiating what will be a full and open dialogue among all concerned stakeholders. All companies engaged in the manufacturing of World Health Organization Pesticides and Evaluation Scheme (WHOPES) recommended insecticide treated mosquito nets and retreatment kits were invited to join the meetings.

The following companies participated:²

- Bayer Environmental Science
- Bestnet
- BASF
- Clarke Mosquito Control
- Syngenta
- Sumitomo Chemical
- Vestergaard Frandsen

The Initial Dialogue Meetings resulted in the creation of this Global Bed net Procurement System Stakeholder Action Plan (this “Plan”). In order for this Plan to be further developed and implemented, along with advancing best practices and exploring priorities for stewardship

² The meetings were designed with attention to compliance with anti-trust legislation and with solid grounding in best practices in business ethics. Joseph Wayland, Partner, Simpson Thatcher and Bartlett, provided legal counsel. Professor Michael A. Santoro, Business Ethics Professor, Rutgers University provided expert support in the conversations and for the development of the plan.
agendas, it was concluded that all stakeholders in the Bed net Procurement System should be invited to become involved in the Dialogue. Discussions about the procurement system, transparency and good governance should include manufacturers, agents, distributors, implementing partners, procurement agencies and donors, all of whom are engaged in the process of scaling up the procurement and distribution of bed nets.
Summary of Findings

Industry members who participated in the Initial Dialogue Meetings ("Dialogue Participants") acknowledged that progress has been made in establishing an efficient market for bed nets. However, Dialogue Participants identified two categories of concerns that remain in the way of achieving the goal of 100% coverage by 2010.

First, Dialogue Participants see continued, significant challenges in the structure of the global procurement system. The high level of financial risk, inefficiency and the structural complexity of procurement practices constitute the foremost challenges. This Plan outlines various efficiency issues which will need to be addressed to improve the global procurement supply system.

Second, Dialogue Participants recognize a need for measures to be taken for greater procurement transparency and accountability. The goal of enhanced transparency and accountability is a shared responsibility among donors, governments, industry, procurement agents and implementing partners.

This Plan acknowledges that a large part of the responsibility for transparent procurement practices rests on industry. Accordingly, the Dialogue Participants have taken an important first step in identifying, as set forth in this Plan, specific actions that they will undertake to enhance practices and compliance procedures (Industry Action Commitments).

This Plan also highlights the need for developing best practices and compliance procedures across all stakeholders at both the global and country levels and proposes the concept of Minimum Standard Procurement Principles, a set of common business principles governing the bed net procurement industry, which will be applicable to and the shared responsibility of all bed net procurement stakeholders. The Dialogue Participants therefore invite all stakeholders to participate in the Dialogue to enhance procurement efficiency, transparency and accountability and to work together to implement the vision of the Global Malaria Action Plan.

Following the respective discussions about the areas of the procurement system that require greater efficiency, transparency and accountability, this Plan concludes by recommending some next steps to advance this dialogue and address the various issues in a manner that fosters cooperation and mutual respect among all relevant stakeholders in our shared effort to meet the common goal to eradicate the scourge of malaria.
1. Improving the Global Procurement Architecture to Ensure an Adequate Supply of Bed Nets

Procurement of bed nets is usually conducted through implementing partners, procurement agencies, third-party procurement agencies or driven by donors on behalf of recipient countries. Implementing partners and donor agencies use international procurement standards as guiding principles even though product standards, procurement practices and procedures vary across countries and donor agencies.

The success of achieving the 2010 universal bed net coverage depends on stakeholders’ coordination, market dynamics and production capacities, quality assurance, harmonization of procurement practices and robustness in country distribution systems. Donors, the private sector, and implementing partners are developing innovative financing models, identifying implementation gaps, and strengthening in-country capabilities to manage the distribution of bed nets.

Despite these notable efforts, however, Dialogue Participants identified several crucial challenges which have come to light as a result of their on the ground operational experience with the existing procurement system. Specifically, Dialogue Participants identified four key areas where the current global procurement system can be further improved.

- Efficiency in the Market
- Transparency in the Procurement Process through Harmonization and Standardization
- Accountability by Avoiding Conflict of Interest
- Assuring Product Integrity

1.1. Efficiency in the Market

- The overall objective remains to create a market with defined and committed demand since procurement instability creates manufacturing complexities and disincentives for expansion.
- Global Fund Specific Issues:
  - While it is well understood that grants take time to negotiate and involve many layers before they can be finalized, it is also recognized that there appear to be delays in processing the grants at these various levels that could be reduced or avoided. This would accelerate initial procurements and thus contribute to the achievement of the 2010 objectives. Delays can exist at all levels, in the case of the
Global Fund (GF) at the Local Fund Agent (LFA), Principal Recipient (PR) or GF Secretariat level. It is acknowledged that all of these actors at times have competing priorities, such as management of existing grants, Phase 2 reviews and negotiation of new grants. **However it is recommended that efforts should be made to streamline these processes to ensure the quickest grant signatures possible, whilst observing the highest standards.**

- Disbursements should follow the programmatic periods in the grant agreement, however there are often delays. These delays can occur at many different levels, including the late submission of a Disbursement Requests (DR) by the PR to the LFA for review, the submission of a poor quality DR therefore necessitating a DR revision, delays in PR reporting, delays in the LFA review, and delays in the GF review and process. As a result, many procurement processes are severely delayed, as many PRs will not commence the processes before the disbursements have taken place. **Therefore it is recommended that attention is put towards reducing these delays by including the timely submission of quality DRs in the performance rating of grants, as well as providing countries with additional training if needed for submitting timely reports.**

- Payments to suppliers are also often substantially delayed from PRs. Such delays are often the result of long bureaucratic processes in country, but can also be linked to the issues outlined above with the DRs. Delayed payments (as defined in the payment terms of the contract) have a serious effect on the supplier's financial situation. **Therefore it is recommended that payment of suppliers be monitored by Donors and be part of the performance rating of grants. It is furthermore recommended that secured and guaranteed direct payments or letters of credit be made a requirement for payment to suppliers.**

- Each country follows its own processes for tender announcement, tender and bid evaluation. However, some countries’ processes lack transparency, which is often the result of failures to publicly open bids, to disclose evaluation and award criteria clearly, or the failure to make public the outcome of tender evaluation. **To ensure best practices and fair competition it is recommended that tender and evaluation processes be as transparent as possible, with certain minimum standards (See Section 2.3) set for all countries and procurement agents to adhere to including consistency with the UN Global Compact Principles.** At a minimum, this should include evaluation, award results, as well as published procurement guidelines for
procurement agents and individual countries’ procurement offices. It is recommended that personnel involved in this process should receive training on code of conduct, proper business practices and should sign off confirming compliance with procurement procedures.

- Another area of particular concern is the timing of the bid process which imposes major delays upon project plans. This includes providing short notice for submission of bids as well as inconsistent time periods from the submission of a bid to the award of a contract. Manufacturers’ bids are prepared with a specific production plan and delivery timeframe in mind. Delays in the bid process create imbalances in market dynamics, negatively affect production plans at the time of the bid or expected time of evaluation, create further delivery delays and increase costs. **Accordingly, market stabilization and efficiency could be served by the minimum standards mentioned above, including a reasonable timeline for bid evaluation and monitoring by donors, as well as the issuance of tenders for production slots and future deliveries to reserve capacity.** Currently non-performance of a supplier or the procurement unit with regard to respecting deadlines in the tender process for production and delivery is neither monitored nor sanctioned. For the malaria community to meet the end-2010 objectives and in general to ensure a transparent market, where good performance is rewarded and poor performance sanctioned, it is necessary to monitor parties involved in the process closely.

- An additional recommended innovation to maximize efficiency in the market would be to **identify an independent inspection company to manage pre-validated inspections.**

- Looking beyond the initial goal of universal coverage by 2010, attention should also be paid to the **long-term sustainability** of the donor model for provision of bed nets. In any case the long-term sustainability of the supply chain will require continued investment from the donor community in developing and reinforcing appreciation for the value and health effects of bed nets.

### 1.2. Transparency in the Procurement Process through Harmonization & Standardization

- In general, the supply chain system would be significantly enhanced by a **major effort to standardize and harmonize procurement processes** and procedures across donor
agencies and procurement agents. For the rapid and short term (18-months) bed net scale-up needed to meet the 2010 goals, one specific interim short-term measure could be to adopt a centralized procurement system, such as UNICEF’s procurement model, which has proven be a workable model.

- In addition, it would be worth considering further incentives (and analyzing the structure of disincentives) for countries to opt into mechanisms that streamline procurement and direct payment to manufacturers.

1.3. Accountability by Avoiding Conflict of Interest

- Situations where partners or organizations are serving more than one function in the process of manufacturing, procuring or distributing bed nets have the potential to raise concerns about conflicts of interest. Such situations can take many forms, including but not limited to the same party serving as buyer/procurement agent and inspection agent, or the same party serving as procurement agent and implementation agent. Therefore at the country level, best efforts should be made to use reputable inspection agents and discourage their ability to assume dual roles.

- The roles and responsibilities set forth by World Health Organization Pesticides and Evaluation Scheme (WHOPES) and Global Malaria Programme GMP/WHO should also be clarified to ensure clear delineation between GMP's technical advisory role in sharing WHOPES recommendations on insecticide treated nets and retreatment kits at the country level. This would eliminate any misinterpretation of WHOPES recommendations and increased transparency of the overall procurement process. It is therefore recommended that GMP/WHO and WHOPES continue to fully articulate WHOPES recommendations and to the extent possible, limit additional interpretations.

1.4. Assuring Product Integrity

- In the area of marketing and competition, industry needs to support science- and evidence-based approaches to product claims, with proper consumer research and peer-reviewed trials.
2. Transparency and Good Governance

The goal of enhanced transparency and accountability would be best met if seen and acted upon as a shared responsibility among donors, governments, industry, procurement agents and implementing partners. To ensure good governance, including adherence to best practices, as well as open and transparent competitive bidding processes, it is recommended that all stakeholders should work toward developing and implementing a common set of best procurement practices.

2.1. Industry Action Commitments

The Dialogue Participants acknowledge the critical role that they have to ensure transparent procurement practices. Dialogue Participants acknowledged a commitment to on-going review and improvement of their respective compliance procedures. The following are commitments that the Dialogue Participants believe can lead to greater efficiency, transparency and accountability.

2.1.1. Commitment to General Principles

As a first step in ensuring transparency and good governance, Dialogue Participants committed to be guided in their business dealings by globally accepted business conduct principles, most of which are an integral part of the UN Global Compact Principles (“Business Conduct Principles”).

The Dialogue Participants engaged a third party to review their respective company codes of conduct and other committed codes for similarities and differences as well as alignment with the Business Conduct Principles. The process concluded that these principles are in most cases integral to their company codes, which incorporate these Business Conduct Principles and have similar content, but differing titles, such as:

- Corporate Compliance Policy;
- Code of Conduct – Business Principles and Code of Conduct;
- Business Conduct Principles;
- Code of Conduct – Compliance Programme

In cases where a company does not have its own specific code of business conduct demonstrating commitment to the above-referenced Business Conduct Principles,
the Dialogue Participants recommended taking immediate steps to demonstrate adherence to such Business Conduct Principles.

2.1.2. Priority Focus of Action

The specific business conduct principles covered in the various company documents govern how each company and their staff should conduct their professional affairs. The principles are designed to strive for a business that is based on responsibility, fairness, honesty and integrity. They provide a policy framework which spans all aspects of business behaviour and within which all employees are required to operate. The Dialogue Participants recognize the following general subjects as integral to a company's code of conduct.

- Compliance with all applicable laws wherever a company does business.
- Business practices:
  - anticorruption/bribery practices, including gift giving policies
  - insider trading
  - conflict of interest
  - intellectual property protection
  - cooperation with Governments
- Standards of documentation and financial reporting;
- Health, Safety and Environment/Sustainability
- Respect for people

In considering the transparency and good governance imperatives of this Dialogue, the Participants agreed that the most critical areas that they will focus on include the following:

- Compliance with the law and, in particular, competition law and foreign trade law
- Business practices against corruption/bribery, including gift policies
- Conflict of interest policies and monitoring
- Standards of documentation and financial reporting

Dialogue Participants urge companies that do not have a specific code of business conduct to specifically adhere to these Business Conduct Principles in their business operations and to promptly undertake the formal development of such codes of conduct. Dialogue Participants believe that the systematic development of and adherence to such codes of conduct by participants in the bed net procurement process is a critical first step to ensuring efficiency, transparency, and accountability. All companies responsible for the manufacturing of WHOPES
recommended bed nets and retreatment kits should be required to develop and adhere to such codes of conduct, and all suppliers are urged to adhere to the Business Conduct Principles identified in the priority focus areas described above.

### 2.1.3. Strengthened Compliance Mechanisms

Dialogue Participants recommend that full implementation of and adherence to Business Conduct Principles is the key to achieving full transparency in business dealings. This necessitates an appropriate infrastructure for implementation and control of adherence within the companies. It requires training of all relevant employees and other relevant capacity building in the companies, so that all staff understands the applicable business conduct principles and their role in achieving adherence to them. Dialogue Participants recommend that implementation and adherence be fully documented, in line with applicable privacy laws, and having this documentation updated, when and where required.

#### 2.1.3.1 Compliance Training

Dialogue Participants recommend that transparency and good governance could be advanced by implementing compliance training programs that are specifically designed to address the compliance of the above Business Conduct Principles. To that end, Dialogue Participants agreed to the following:

- Review the adequacy of their current compliance training programs and where appropriate strengthen their current training programs
- Consider various potential options for documenting their compliance implementation to assure accountability
- Develop clear compliance guidelines and strengthen oversight of agents and distributors

#### 2.1.3.2 Mechanisms for Reporting Concerns/Violations

Dialogue Participants commit to developing and/or adhering to procedures for raising concerns and reporting violations, i.e. “whistle blowing.” Dialogue Participants recommend that all companies engaged in the global bed net procurement system should have communication channels and other mechanisms in line with applicable laws for making and receiving complaints about non-adherence in order to greatly facilitate full implementation and adherence to the Business Conduct Principles. These complaints would be investigated diligently by the appropriate officer
within the company (e.g. compliance officer) designated to perform this function. In cases where non-adherence is confirmed, corrective action should be taken.

### 2.1.3.3 Auditing and Monitoring

Dialogue Participants agreed to explore regular internal auditing of adherence to their established business conduct principles as they apply to the bed net business. This could culminate with time, in an annual written and publicly available certification such as a letter of assurance by which the relevant business managers, fully accountable, assure the Chief Executive Officer/President of the Business that the company's business conduct principles have been adhered to as they apply to the bed net business. This process should also identify any potential gaps in implementation and adherence and recommendations on how and on what time-scale to close these gaps and achieve full adherence.

Dialogue Participants urged companies who do not have their own specific compliance program to undertake the development of comprehensive compliance programs with all components suggested above.

The above-mentioned Industry Action Commitments will be particularly effective if the public sector undertakes complementary commitments that are aligned with this effort.

### 2.2. Public Sector

Many donor agencies also adhere to the principles of the UN Global Compact and to Interagency Guidelines on Good Pharmaceutical Procurement or equivalent policies governing the procurement of funded commodities. Meanwhile, recipient malaria control programs abide by their national procurement guidelines in addition to recognizing donor procurement standards. However, recent experience by Dialogue Participants suggests that significant challenges remain in ensuring the efficiency, transparency and accountability of tendering processes. Some procurement practices demonstrate a culture of public transparency, stringent and efficient procedures, and true accountability at all stages of the process. However, too many practices remain plagued by a lack of transparency (including bids not being opened publicly, vague award criteria, or inaccessibility of tender evaluation results), or by an excessive complexity that hinders accountability. To ensure adherence to best practices, and open
and transparent competitive bidding, the Dialogue Participants recommend that all stakeholders in the procurement process (including indirect stakeholders such as WHO, etc.) should work toward enhancing compliance and monitoring as illustrated in the Minimum Standard Procurement Principles presented below.

2.3. A shared responsibility towards transparency and good governance: Minimum Standard Procurement Principles

This section outlines key recommendations for the industry, donors, procurement agents and host country governments that could create an enabling environment for increased transparency. Each member of the Bed Net Industry Dialogue is committed and welcomes a dialogue with other stakeholders on establishing a collective responsibility approach to transparency and good governance. Critical success factors for supporting enhanced transparency and governance principles through well administered codes of conduct, include: robust training programs for executives and operating personnel, instruments to facilitate the raising of concerns and the reporting of violations, the dissemination of clear and written procurement guidelines, and the willingness to demonstrate transparency through monitoring of adherence to the various good governance principles.

Shared Minimum Standard Procurement Principles could consist of:

- Consistency with Existing Codes of Conduct
- Effective Compliance Program
- Good Internal Reporting Mechanisms
- Effective Conflicts of Interest Policies and Management
- Transparency and Monitoring
- Clear Procurement Guidelines

2.3.1 Consistency with Existing Codes of Conduct

The Minimum Standard Procurement Principles are meant to be consistent with each stakeholder’s existing code of conduct and procurement policy. Minimum Standard Procurement Principles would be established to outline expectations of all stakeholders and their employees, subcontractors and agents in regard to business ethics, legal principles, compliance by management, ethical training, conflict of interest rules, whistle blowing policy, and ethical practice monitoring while engaged in bed net production, procurement and distribution. The Minimum Standard Procurement Principles will specifically address, but not be limited to, ensuring that
the parties abide by country/state laws and international agreements; committing not to pay, offer, demand or accept bribes; nor collude with competitors to obtain the contract; nor act to privilege a supplier or limit competition.

2.3.2. Compliance Program

Subject to applicable legal constraints, each of the stakeholders should independently develop and administer their own compliance programs. For example, independent bed net industry-specific, donor-specific, procurement agent-specific and other stakeholder-specific comprehensive compliance training and oversight programs for relevant employees, and to the extent applicable, third party agents and distributors of all the partners adhering to the Minimum Standard Procurement Principles. Appropriate and feasible compliance training could be designed to include, but not be limited to, compliance training on international procurement standards and tender processes. In addition to participating in training programs to ensure compliance, each stakeholder organization should employ adequate sanctions for employees, distributors, agents, suppliers, contractors or grantees found to be in breach of these Minimum Standard Procurement Principles.

2.3.3. Mechanisms for Reporting Concerns/Violations

Each partner, as applicable, will develop and maintain whistle blowing guidelines and ensure witness and whistleblower protection for employees within the organization in accordance with applicable laws. This could include but not be limited to: a telephone hotline for anonymous reporting, external lawyer hotline, and confidential submission of complaints to human resources or legal officers within the organization. A hotline could also be established in donor agencies and communication strengthened between donor malaria program managers (at headquarters), in country managers (implementing partners, principal recipients, etc.) and procurement offices on standards and whistle blowing procedures.

2.3.4. Conflict of Interest

The need is clear for all stakeholders to develop and implement conflict of interest policies to avoid collusion in tender processes, including clear guidelines distinguishing product specification, selection and procurement roles. Some of the donor institutions have solid conflict of interest policies for their board but too little
in the way of policy implementation through the program and value chain. There are frequent situations of dual, potentially conflicting roles, being played by a single institution. Where relevant, conflict of interest rules should also address the challenge of defining the respective roles of procurement officers, procurement agencies, manufacturer’s agents or distributors within the Country Coordinating Mechanism.

Even within a single institution, attention should be paid to distinguish the distinct roles of various teams, and guide the resolutions of conflicts that may emerge. In the WHO example referenced in section 1.3, it is important to distinguish the role of the product qualification team, such as WHOPES, from the policy and advisory roles of the GMP to ensure clear delineation between WHOPES recommendations on bed nets and technical advisory services provided by GMP. In countries where the WHO serves as a procurement agent and technical agency, a conflict of interest policy should be established by WHO to guide country offices.

2.3.5. Transparency and Monitoring

Formal commitments to ethical guidelines accompanied by solid compliance training programs, sanctions procedures, and clear conflict of interest policies would go a long way towards enhancing the integrity of current and future mechanisms. The question remains how monitoring potential violations of the Minimum Standard Procurement Principles will be carried out. Further transparency could be built into the approach through monitoring and auditing according to each stakeholder’s own organization. In the case of the Global Fund, it would be worth specifically clarifying and strengthening the role of the Local Fund Agent in monitoring the tendering process.

2.3.6. Procurement Guidelines

The Minimum Standard Procurement Principles would define and communicate clear guidelines on the procurement system, including the tender process. Enforcing a transparent tender and evaluation process may require setting specific (as opposed to general and generic) standards for countries, procurement agents and suppliers with regards to the conduct of the tender process including public dissemination of tender calls, product specification processes, and transparency of
evaluation criteria and award results; and accompanying this exercise with appropriate training for personnel involved.
Conclusion and Next Steps

The Dialogue and this Plan are intended to complement on-going efforts to support the scale up of malaria prevention commodities. It is evident that critical success factors, such as greater efficiency, transparency and accountability in the global procurement system, are essential to effectively implementing the Global Malaria Action Plan and meeting the Millennium Development Goals.

This Plan suggests that it is the shared responsibility of donors, governments, industry, procurement agents and implementing partners to take the necessary steps to improve the procurement system. This requires commitment, as well as making swift and bold decisions that would disrupt the status quo and foster renewed pledges to meet global health targets directed at malaria.

Dialogue Participants have developed specific Industry Action Commitments in line with the proposed Minimum Standard Procurement Principles including strengthened compliance mechanisms and attention to priority areas as they apply to the industry. Additionally, Dialogue Participants propose to engage with other stakeholders in developing collective stewardship of good governance of the global bed net procurement system including donor agencies, procurement agents, principal recipients and other appropriate stakeholders to consider the above recommendations, and if appropriate, to consider the mechanisms by which these recommendations can be moved forward.

GBC is prepared to continue to convene and facilitate the Dialogue among the stakeholders to advance these discussions on procurement, system efficiency and good governance in procurement, as well as in developing the Minimum Standard Procurement Principles more precisely.