

NetMark News



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USAID-NetMark Expands ITN Access, Helps Boost Use in Uganda

NetMark is dramatically expanding the availability of insecticide-treated and untreated mosquito nets in Uganda, helping to boost ITN use among people who buy the nets and those who receive free ITNs, and building a sustainable Ugandan ITN market that can serve the country for years to come.

NetMark's work resulted in or contributed to several successes in the fight against malaria in Uganda:

- The number of nets distributed in Uganda jumped from 280,295 in 2002 to about 2.5 million in 2004.
- Ninety-three percent of net distribution in Uganda in 2005 came from the private sector.
- There are now eight ITN distributors in Uganda compared to only one in 2002.
- The number of outlets selling nets increased from five only in Kampala to 1,164 throughout the country.
- The average ITN price dropped to \$5.50 from \$8.00 in 2002.
- The commercial sector's investment in the ITN business more than quadrupled from \$445,694 in 2003 to nearly \$1.9 million by the end of 2005, with businesses investing \$2.55 for every dollar USAID spent in fiscal 2005.
- Commercial sales of ITNs and untreated nets in Uganda topped 2.2 million and 2.5 million, respectively, for a total of nearly 5 million nets between 2003 and March 2006.

And most important, net use among urban and rural households nearly doubled to 60% and 21%, respectively, from 2000 to 2004. The percentage of children under five sleeping under ITNs also nearly doubled to 15% in that period. NetMark began developing the commercial market for nets in Uganda in September 2003. The program's success was particularly critical because of the unexpected delays that the Government of Uganda and the Global Fund for AIDS, TB and Malaria faced in importing ITNs over the past two years. Had the public sector been Uganda's sole source of ITNs, millions of Ugandans would have had no access to ITNs during this time and would have been vulnerable to malaria. NetMark's goal in Uganda is to battle malaria by creating a sustainable, national market for ITNs that makes them accessible and affordable for all. To do this, NetMark developed the Full Market Impact™ (FMI™) approach to establish a sustainable commercial market that complements donor-led ITN efforts by reaching people who can buy ITNs. "This frees up resources that can be used to reach more people who can't pay for the nets," said David McGuire, NetMark Project Director. NetMark's work in Uganda includes:



NetMark Promoter Packing Nets

- Expanding public knowledge and use of ITNs (particularly long lasting ITNs) through a multimedia campaign to create demand.
- Providing support to manufacturers and distributors to ensure consistent supply of stock.
- Providing support to distributors to make their products more widely available through retail outlets throughout the country, in both urban and rural areas.
- Encouraging participation of more international manufacturers and local distributors for greater competition among brands. This ultimately has lowered prices and made the products available to all socio-demographic groups, especially those most vulnerable to malaria.
- Participating in all in-country government/RBM policy and advocacy partnership efforts as a member of the Malaria Stakeholders Group.
- Evaluating progress and measuring impact through ongoing retail audits and periodic household surveys.

Product	Prices in 2002	Current Prices
ITN (Bundled)	US \$8.00	US \$5.50
Untreated Nets	US \$4.50	US \$2.50
LLIN	-	US \$7.50

Before NetMark's intervention, the supply of ITNs in Uganda was inconsistent, making them hard to find in stores. NetMark established credit guarantee systems that enabled local distributors to double their credit limit with ITN suppliers. This helped improve the Ugandan distributors' cash flow and gave them an incentive to maintain an adequate supply of ITNs. NetMark also procured "seed nets" for the distributors as part of its marketing support. These efforts made ITNs more widely and consistently available to consumers.

NetMark also helped strengthen distributors' business skills and gave them tools to better manage their cash flow, working capital and ITN procurement. As a result, distributors' profits improved considerably, and the

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Uganda Products & Distributors

<i>International Manufacturers</i>	<i>Local Distributors</i>	<i>Products and Brands</i>	<i>Description</i>
A-Z Textiles (Tanzania)	Safinet (Uganda) Ltd.	Safinet®	A package with a mosquito net and a Fendona® Treatment Kit
Siamdutch Mosquito Netting Co. Ltd	Quality Chemicals Limited (QCL)	K-O Net™	A package with a mosquito net and a K-O Tab® Re-treatment Kit
Bayer Environmental Sciences	Quality Chemicals Limited (QCL)	K-O Tab®	A home treatment kit
Sunflag (Tz) Ltd.	Cooper Uganda Limited	CooperNet®	A package with a mosquito net and an Iconet™ Treatment Kit
Sunflag (Tz) Ltd.	Xnet (Uganda) Limited	Sleepnet®	A package with a mosquito net and an Iconet™ Treatment Kit
Vestergaard-Fransden	Nett Shoppe Limited	PermaNet®	Long Lasting Insecticide Treated Net (LLIN)

businesses hired more people. NetMark also provided support for distribution and transport costs, including assistance to distributors in acquiring vans and motorcycles, as well as merchandisers and sales staff. NetMark developed countrywide communication campaigns to build and sustain demand for ITNs. The campaigns stimulated the overall market and promoted use even among those receiving free ITNs. The campaigns also helped create a “pull” in rural areas. NetMark encouraged more distributors to reach those underserved markets and cut prices. As a result, ITN availability rose and prices fell.

NetMark also provides financial and logistical support to the Ministry of Health in the annual national mass net re-treatment campaigns. Through the end of 2004, 648,384 nets were re-treated through these campaigns.

The ITN market in Uganda is robust and growing. NetMark’s commercial partners now plan to be in the ITN and LLIN businesses for the long term, which means ITNs will remain available long after donor funds shift to other priorities over time. “NetMark’s success demonstrates the impact that can be achieved when the public and private sectors bring their complementary strengths together to address important national health problems,” said Allan Were, NetMark’s Uganda Country Manager.

News From Our Partners

Vestergaard Frandsen and NetMark have been running a successful partnership in Ghana, Mali, Senegal and Uganda towards building a sustainable commercial net business. One of the key lessons learned from this partnership is that there is potential for the development of a commercial retail market for high quality products such as PermaNet®. As a result, Vestergaard Frandsen, the manufacturer of PermaNet®, a long lasting insecticide-treated mosquito net, has proven their commitment to providing a solution to one of the most important public health issues for the African population.

Vestergaard Frandsen increases PermaNet® capacity to 5 million nets per month

To meet the global demand of long lasting insecticidal bed nets, Vestergaard Frandsen is further scaling up the production of PermaNet® 2.0. The company has been rapidly augmenting its capacity since 2003.

Fulfilling its commitment to help save the lives of millions of people burdened by malaria, Vestergaard Frandsen revealed plans to increase its production of PermaNet® - the plan was launched in November 2005 at the Fourth MIM Pan-African Malaria Conference in Yaoundé, Cameroon, the largest meeting worldwide solely focusing on malaria.

From November 2006, Vestergaard Frandsen will have a production capacity of five million nets per month.

Kenya Launch

Emboldened by the recent success that it has seen in its retail markets in Ghana, Mali, Nigeria, Senegal, Uganda and Zambia, Vestergaard Frandsen launched PermaNet® in the Kenyan retail market on March 9, 2006.

The event was held at a colorful ceremony at the Serena Hotel in Nairobi. The guest of honor was Dr. Kimani who is the Senior Deputy Director of Medical Services at the Ministry of Health in Kenya; others in attendance included the head of the malaria program in Kenya, Dr Sam Ochola. PermaNet® has been addressing the malaria problem in Kenya for a long time, but it is only now that the long lasting net will be available off the shelf for everyone. An intensive marketing campaign with advertisements aired on radio and television, as well as printed ads in leading newspapers and family magazines is part of the launch strategy aimed at establishing PermaNet® in the Kenyan retail market.

The event also saw a donation of 300 pieces of PermaNet® to the Habitat for Humanity Kenya (HFHK) National Director, Mr. Mark Wooding, as a token of appreciation for their dedication in the fight against malaria.

Vestergaard Frandsen has appointed Radbone Clark Kenya Ltd, a leading FMCG distributor in Kenya with 12 years experience in the field, as its distributor. Their extensive network will ensure the availability of PermaNet® in retail outlets countrywide.

NetMark Ethiopia's Voucher Program Helps Protect Pregnant Women, Boosts ITN Availability Throughout Amhara Region

NetMark Ethiopia's ITN voucher program for pregnant women in Amhara expanded ITN availability throughout the region, benefiting people and businesses in rural areas as well as expectant mothers.

Before NetMark's Targeted Subsidy Voucher Program started, ITNs in the highly malarious Amhara Region were hard for people to obtain in poor or rural areas, putting already vulnerable pregnant women further at risk. The nets were available only in urban centers, and most were sold to tourists or upper-income consumers - including a considerable number of ITNs that were supposed to be distributed for free. In addition, few people in poor or rural areas were aware of ITNs and how they help ward off malaria.

Since the TS program launched in April 2004:

- The number of health facilities providing vouchers to pregnant women nearly doubled to 39.
- 11,000 pregnant women have been reached.
- Close to 70% of ITN vouchers have been redeemed.
- ITN demand and availability spread throughout Amhara, including poor and rural areas, as well as a key urban hub, Desse, the Eastern Amhara capital that previously had no ITN retailers.
- The number of ITN retailers tripled to more than 60 throughout the region; they order an average of 1,000 ITNs a month from NetMark commercial partners.
- As of May 2006, 75% of NetMark partners' sales of ITNs in Ethiopia were at full price, while 25% were subsidized.

The TS program, which provides pregnant women with a voucher covering roughly 70% to 90% of the price of an ITN from a retailer, is a key component of NetMark's strategy of working with the commercial sector to battle malaria. NetMark fosters demand for ITNs and helps local businesses meet that demand, which leads to health and economic benefits that local communities can sustain on their own.

The voucher approach is also being adopted widely in Africa because of its dual benefit of efficiently providing subsidized ITNs to people who couldn't get them otherwise, while also helping to make ITNs more widely available.

To launch the Amhara TS program, NetMark developed a partnership between the Amhara Regional Health Bureau, East African Group (EAG), Petram and other ITN distributors, health facilities and retailers. NetMark provides vouchers and materials on education, communication and counseling to the health facilities, as well as branding materials to retailers. In collaboration with the health bureau, EAG and Petram, NetMark trains both health workers and retailers throughout the region. NetMark also conducts ITN awareness campaigns that include TV and radio spots, point-of-sale materials and 'road shows,' reaching 27 towns and 800 retail outlets.

At first, retailers in the region were reluctant to carry ITNs. Those that did agree to participate in the voucher program would stock only five or 10 pieces at a time just to accommodate the program in their towns. For example, when

NetMark's commercial partner EAG first approached Mohammed Jemal, he feared that ITNs would not sell at his Bistima town store. EAG persisted and persuaded him to buy 10 ITNs, just enough for pregnant women using vouchers from the TS program running in the local ante-natal clinic. But as the TS program took off, so did awareness and demand for ITNs. People who

were not in the program became aware of ITNs and began to ask for them, indicating they were willing to pay full price. Retailers in the program bought more ITNs from distributors to keep up with demand. Mohammed Jemal started ordering over 100 ITNs at a time and would travel 47kms to EAG's branch office to pick them up. "The voucher program has not only helped me sell more ITNs, but it has helped me get more business. When the women come to my store to redeem the vouchers, they also buy other things," Jemal said.

Eventually, shops that weren't participating in the program noticed the brisk ITN sales and customer inquiries and started stocking

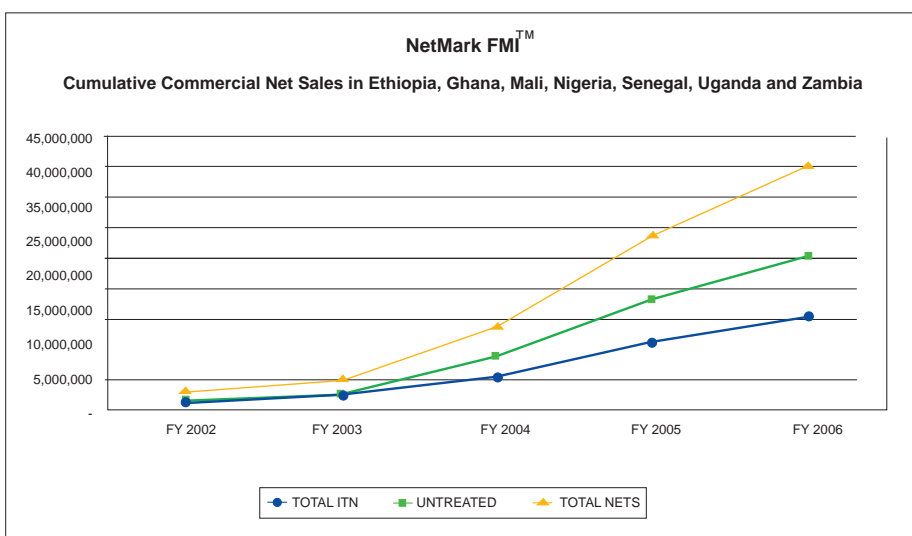


Pregnant Lady redeeming a Voucher

ITNs too, making the nets even more widely available in Amhara Region.

So far, NetMark's TS program is well on track to meeting its goal of reaching about 22,000 pregnant women. Due to the success in Amhara, the program recently expanded into the Oromiya Region.

Sales Update



Shoprite Zambia ITN Promotion Tops Targets, Could Expand Availability Throughout Africa

Africa's largest supermarket chain played a central role in a pilot program that boosted ITN sales in Zambia and could expand the availability of the malaria-fighting devices throughout Africa.

Shoprite Stores Zambia Ltd. joined NetMark, Society for Family Health (SFH), Vestergaard Frandsen (makers of PermaNet®) and Ecomed in a pilot program to promote ITNs in 18 Shoprite stores in Zambia during the 2005/2006 high malaria transmission season. The effort included promoters inside and outside outlets, print/electronic media and in-store displays.

"We are very aware of the impact malaria has on our patrons and, with the guidance of our partners, would like to drive the preventive message home," said Pieter le Roux, Shoprite's Manager in Zambia. He added that Shoprite Zambia also wanted to "educate and highlight the issue within the ranks of our workforce, creating awareness in the work environment and thus pre-empting a potential problem."

The pilot program was deemed a success. Le Roux said Shoprite Zambia saw "exponential" growth in sales of both nets and retreatment kits. The stores sold 10,216 ITNs between October 2005 and April 2006, exceeding the program's goal of selling 10,000 ITNs in that period and accounting for 25% of retail sales in Zambia. The stores also sold 807 retreatment kits.

Impressed by the results, Shoprite Zambia said it will conduct the ITN promotion as an annual event, and SFH, Vestergaard and Ecomed said they will participate again in the 2006/2007 season. The joint promotion also drew the attention of Shoprite Zambia's parent company, Shoprite Holdings of South Africa. Shoprite Holdings, with 692 stores in 15 African countries, plans to meet with NetMark to



ITNs on Display in Shoprite Store

discuss the possibility of promoting ITNs in its stores throughout Africa.

The Shoprite program demonstrates the potential of public-private partnerships to address public health issues at scale and in a sustainable way. NetMark serves as a facilitator that brings together the public and private sectors and supports the partnerships. "We show Africa's businesses that they can help their communities deal with a serious public health problem and be profitable at the same time," said Andrew Johnston, NetMark's Regional Manager: East and Southern Africa. "We help developed a market that the business can serve, that helps ensure that the anti-malaria work will continue regardless of the level of donor funding and that the communities themselves will see sustainable health and economic benefits," he added.

As a case in point, the NetMark approach helped sustain local ITN distributors in Zambia after they faced a major setback. When the government of Zambia decided last year to focus its efforts on free ITN distribution to everyone instead of only those who can't pay for the nets, local ITN distributors feared they would go out of the ITN business. Expecting sales to plummet, the distributors cut back their ITN orders and their investment in promotion and distribution. NetMark brokered the partnership with Shoprite Zambia, which gave the local distributors a new, more stable market for their ITNs, helping them stay in the ITN business.

"The Shoprite promotion was a resounding success and beyond our expectations. We will certainly be participating with Shoprite and partners in the coming malaria season. Not only did we achieve our business objectives but we made a real difference to reducing malaria in Zambia which is one of our corporate social responsibility objectives" - Peter Nichols, Managing Director of Ecomed Pty Ltd. and distributor of K-O Net ITN in Zambia.



NetMark Promoter in Retail Outlet

The NetMark model has had considerable success. Before NetMark started cultivating demand and markets for the ITNs in 2002, the nets were hard to get in Africa. So far, more than 40 million nets have been sold in NetMark countries, and the number of local ITN distributors has grown from five to 30.

"The NetMark approach isn't intended to replace programs that give away ITNs," said Juan Urrutia, NetMark's Deputy Director. "The NetMark model seeks to expand commercial availability of high quality and affordable ITNs, and works with a range of partners to ensure that economics are never a barrier by delivering subsidized and free products to the needy," he added.

The commercial sector is just one piece of the puzzle. "By recruiting Africa's private sector to reach the people who can pay for the ITNs, we help free up resources to provide ITNs to the people who cannot buy them. We all have a role to play in fighting malaria, and no government, company or donor can do it alone," Urrutia said.



ITNs on Display in Shoprite Store