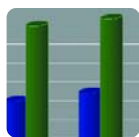


NetMarkNews

JULY 2004

A Quarterly Newsletter for NetMark



NetMark Activities Increase Use

2



Targeted Subsidy Programs Launched in Ghana

3



PermaNet Campaign Increases Sales in Uganda

4



NetMark Project

Headquarters:
1825 Connecticut Ave, NW #800
Washington, DC 20009 USA
202-884-8779
202-884-8844 (f)

NetMark Regional Office:
Post Net Box 92
Private Bag X11
Halfway House 1685
Johannesburg, South Africa
27 11 466 9972
27 11 466 0579 (f)

www.netmarkafrica.org

NetMark is a cooperative agreement between the U.S. Agency for International Development and the Academy for Educational Development.



NetMark Creates Full-Market Impact

IN COUNTRIES WHERE IT OPERATES, NetMark conducts activities that influence many facets of the ITN market environment.

Along with increasing sales of ITNs across all sectors of society, NetMark stimulates ITN demand, establishes distribution networks, improves manufacturing and assists in introducing new technologies.

This “full-market impact” leads to increased availability, affordability, appropriate use and demand for high-quality ITNs throughout Africa. The impact of NetMark activities is felt beyond NetMark’s immediate project partners, increasing sales and use of ITNs across the board.

NetMark’s full impact on the ITN market encompasses six areas:

- 1. Supply**—NetMark is increasing the supply of ITNs by improving the coordination of commercial and institutional procurements, providing technical and financial support to expand manufacturing capacity and quality, and creating strong links between manufacturers and the best distributors in Africa. Increasing the supply of ITNs is necessary to meet the rapid increase in demand for ITNs (particularly LLINs) among consumers and institutional buyers.
- 2. Demand**—NetMark builds demand for ITNs through marketing campaigns based on extensive behavioral research. This effort is amplified by joint investment with African distributors and ITN suppliers who market their own brands. As demand grows within a competitive market, consumers should benefit from improved quality, lower prices and wider availability.
- 3. Distribution**—NetMark is working with suppliers and distributors to ensure the uninterrupted distribution of ITNs at a national scale through improved stock manage-

Measuring NetMark’s Full-Market Impact

To determine its effect on the market, NetMark tracks the following indicators:

- Production capacity and output of ITN manufacturers
- Sales, especially among low-income and vulnerable groups
- Supply through commercial channels and nationwide availability
- Transfer of LLIN technology to major African manufacturers
- Household coverage rates, especially among low-income and high-risk groups
- Number of ITN brands and downward trends in prices
- Investment in market development by the commercial sector

ment, joint investment to expand the number of outlets carrying ITNs, partnerships with grassroots organizations for community level distribution, and mobile promotional teams.

- 4. Improved Technologies**—NetMark is working closely with world-class consultants from Global Textile Partner (GTP), insecticide companies and net manufacturers to bring the most promising LLIN technologies from the laboratory to Africa as quickly as possible. NetMark will continue to support the transfer of technology for LLIN production so that LLINs are available to individuals and institutional buyers at the lowest possible cost.

continued on page 4

NetMark Activities Contribute to Increased Use and Equitable Ownership of ITNs

SURVEY RESULTS SHOW THAT THE USE AND equitable ownership of Insecticide Treated Nets (ITNs) has increased in some NetMark countries. These gains are protecting more and more Africans from malaria.

Increased Use of ITNs

The NetMark household survey conducted in Zambia in 2000 showed net ownership in Lusaka to be 31%. A smaller scale communications study in 2003 showed net ownership to be 67%. While these studies used different sampling methods and are not directly comparable, there is clearly a dramatic upward trend. The exact increase will be confirmed later this year when NetMark conducts a second national-scale household survey.

Similar trends can be observed in Nigeria. In 2000, a survey of 1,000 mothers with children under five years of age showed that none were sleeping under an ITN. In contrast, a 2004 Omnibus survey covering 5,000 households finds that 10.3% now use nets, and of these net-owning households, 50% reported that their newest net had been treated with insecticide. Assuming that this growth reflects a trend in the general population, this 10.3% figure represents an increase of nearly 5 million users in Nigeria in less than four years. This is a considerable achievement in a country with more than 133 million people living in malaria endemic areas.

Additionally, vulnerable groups are now more likely to sleep under a net than other household members. The 2003 NetMark Communications Monitoring Survey in Zambia shows that among children under five in net-owning households, 62% slept under a treated net the prior night. Meanwhile, in the 2000 baseline, only 16% of children under five years of age in net-owning households slept under a treated net the prior night. These results demonstrate that a link between the growth of commercial markets and the protection of vulnerable populations is emerging.

Improved Equity in Net Ownership

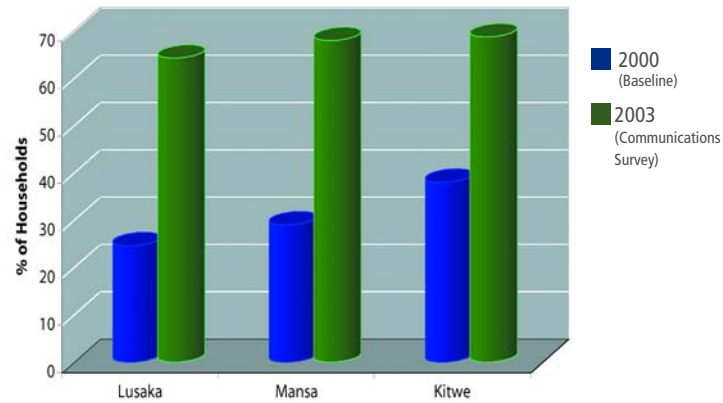
While providing free nets is an appropriate solution in some settings, the malaria

problem in Africa requires a long-term focus on creating sustainable production and distribution systems for ITNs. Subsidized or even free nets are only useful in the long-term if they are targeted to the poor and do not undercut the ability of the local commercial infrastructure to provide ITNs to those willing and able to pay.

In Mali, where a culture of net use has existed for a long time, net ownership through commercial channels has reached far more equitable levels than free immunization programs (see Figure 2). Through generic communication campaigns NetMark has worked to develop a culture of net use in target countries.

Results in Mali confirm that the commercial sector can make a significant contribution to developing a sustainable ITN market. While free and subsidized delivery is also critical to achieving and maintaining equity, those approaches are expensive and not sustainable over the

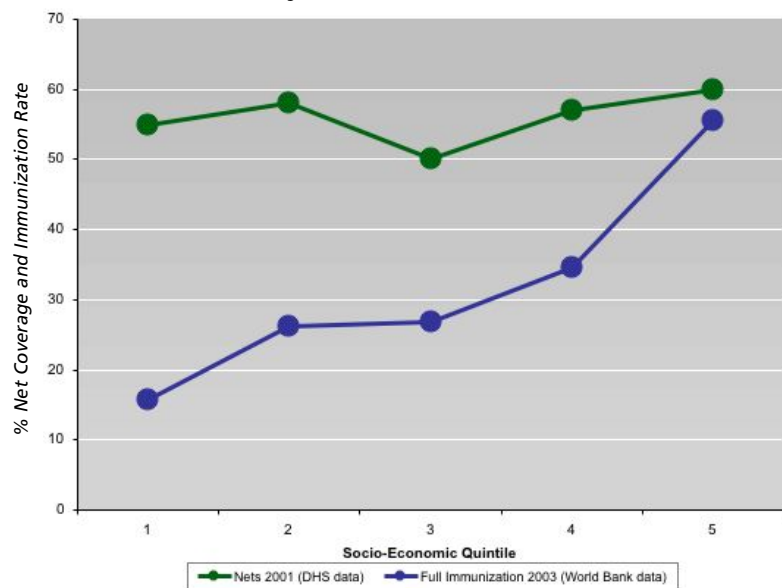
Figure 1: Percentage of Households with at Least One Net— Three Selected Regions of Zambia: 2000 and 2003 Compared



long term for entire populations. There is also growing evidence that free nets from NGOs and health facilities go principally to the highest SES households. The 2003 NetMark study conducted in Mali found that 20% of all nets in the highest socio-economic status (SES) households were from NGO and public health facilities, compared to 3% in the lowest SES quintiles.

NetMark's experience shows that building commercial markets and involving the private sector can contribute significantly to increasing the equitable ownership and use of ITNs in Africa. •

Figure 2: Net Coverage and Full Immunization Rate by Socio-Economic Status in Mali



Targeted Subsidy Programs Launched in Ghana

With the support of Ghana Health Services, NetMark and the National Malaria Control Program launched ITN voucher programs for pregnant women in the Volta, Greater Accra, and Ashanti regions in March 2004. NetMark is working with the London School of Hygiene and Tropical Medicine with funding from DFID and USAID in the Volta region. The voucher programs in the Greater Accra and Ashanti regions are funded by ExxonMobil.

Both programs distribute vouchers to pregnant women as they come to public health facilities for antenatal care visits. The voucher lowers the price of an ITN by approximately \$4.

The private distributors involved in the initiative are Vestergaard Frandsen/Netco Rockville for PermaNet and Siamdutch/

Agrimat for Dawa Net. Overall, 267 health facilities are involved in the voucher interventions. The distribution partners have set up and supplied 668 retailer shops including 101 Mobil gas stations, 45 of which are in the participating regions for the delivery of vouchers. For both programs, early results (less than two months) show that:

- More than 50,000 vouchers have been distributed to pregnant women
- 39,000 vouchers have already been redeemed
- Vouchers are expanding the market with close to 20,000 ITNs sold at full commercial price in addition to the 39,000 bought through vouchers
- Mobil Marts have reported two-thirds of their ITNs sold at fully commercial prices. ●

US Ambassador Visits NetMark Targeted Subsidy Program



The US Ambassador visits a pharmacy in Ghana that sells ITNs as part of a targeted subsidy program.

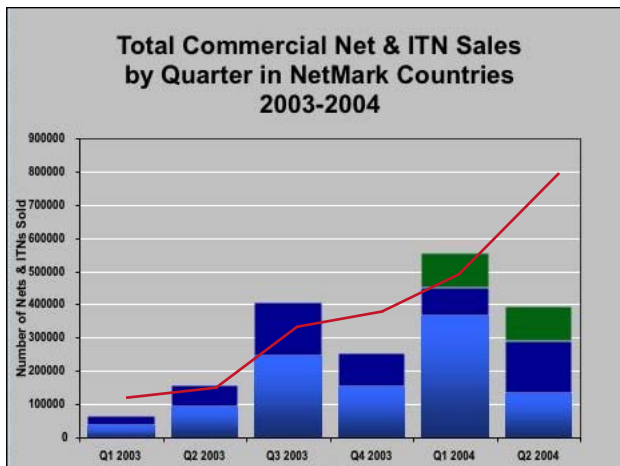
The United States Ambassador to Ghana, Mary Carlin Yates, visited the Ho District Hospital on May 27 to meet with antenatal clinic staff who operate the Insecticide Treated Net (ITN) Discount Voucher Program.

Dr. MacDamien Dedzo, Head of Public Health at the Volta Regional Directorate of the Ghana Health Service (GHS), said the program planned to distribute between 60,000 and 70,000 ITNs this year. Those who receive a voucher pay only half the price of an ITN at designated retailers.

Dr. Margaret Kwaku, Ho District Director of the GHS, said nurses and midwives at the antenatal clinic counseled pregnant women to buy and use the nets. She said there was a built-in follow-up under the program to monitor those who were given the vouchers to ensure that they understood the need for sleeping under an ITN.

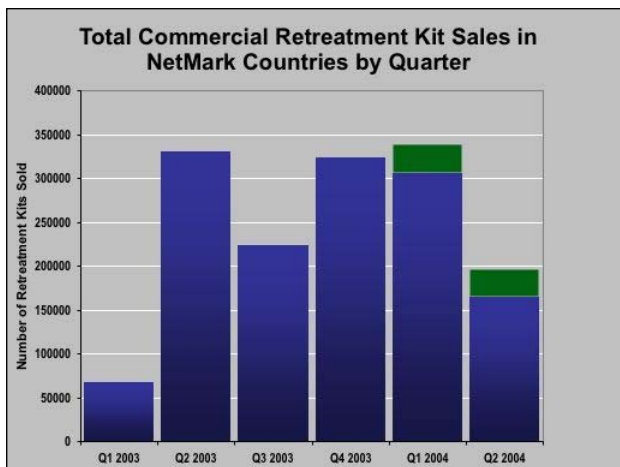
The Volta targeted subsidy program is supported by United States Agency for International Development (USAID), Department for International Development of UK (DFID) and NetMark.

NetMark Sales Update



Overall ITN sales continue to increase along with growing demand. The number of commercial distributors and brands in NetMark countries are also on the rise.

- ITNs and LLNs Sold by Collaborating Partners
- LLNs Sold by Core Partners
- ITNs Sold by Core Partners
- Quarterly Sales Targets



- Retreatment Kits Sold by Collaborating Partners
- Retreatment Kits Sold by Core Partners



In Brief

Global Textile Partner (GTP) Joins the NetMark Team

To improve the quality and capacity of ITN production around the world, NetMark has partnered with GTP to provide technical assistance to ITN manufacturers. NetMark seeks to support manufacturers to increase the quantity, quality, and variety of their ITN products. Any companies interested in improving manufacturing capacity and quality or developing LLIN production capacity can request support from NetMark.

NetMark to Conduct ITN Household Surveys in Four Countries

NetMark has partnered with Research International to conduct national-scale household surveys this year in Ghana, Ethiopia, Nigeria and Senegal. The studies will focus on access, demand, appropriate use and affordability of ITNs in these NetMark target countries. For Nigeria and Senegal, the 2004 studies will demonstrate progress since the baseline studies conducted in 2000. A similar baseline study was conducted in Ghana by the Ghana Social Marketing Foundation in 2000. In Ethiopia, where project implementation will begin in September, the survey will serve as the baseline and will guide the implementation process. As with all of NetMark's research, questionnaires and results will be posted at www.netmarkafrica.org as soon as they become available.

NetMark's Commercial Partners' Investment in ITN Market Increases

The NetMark model for achieving sustainable delivery of ITNs in Africa depends on the commitment of and investment by the commercial sector in developing the market. As of July 1, 2004, NetMark's core commercial partners have invested \$0.50 for every dollar invested by USAID through NetMark. This is up from \$0.38 per dollar through March of 2004.

PermaNet Campaign Increases Sales for Long-Lasting ITN in Uganda

THE SECOND PHASE OF VESTERGAARD Frandsen's marketing campaign for PermaNet® was launched on June 1 in Uganda. This intensive three-and-a-half month campaign will air on nine radio stations and two TV stations and appear in Uganda's leading newspaper.

This new campaign highlights the advantages of PermaNet's new long-lasting insecticide-treated mosquito net technology over the other nets available on the market.

The TV advertisement features a comical cartoon animation that shows the long-lasting effect that PermaNet® has on mosquitoes. Its "Breaking News" headline has attracted attention from the media.

One month into the campaign, Nett Shoppe, Vestergaard Frandsen's distributor in Uganda, has registered a 20% increase in sales. Local outlets have also seen a marked increase in their sales of PermaNet®.



An animated TV spot uses a news program format to present the advantages of PermaNet's new long-lasting insecticide-treated net technology.

The PermaNet® campaign is supported by matching funds from NetMark. PermaNet® is the only long-lasting polyester net that is recommended by the World Health Organization. •

continued from page 1

NetMark Creates Full-Market Impact

5. Equity—NetMark works with commercial and public sector partners to ensure there is equal demand and access to ITNs across all socio-economic groups. NetMark uses targeted subsidies to provide discounted or free ITNs to the most vulnerable populations via the commercial sector. In countries with high and equitable net coverage (e.g., Mali), NetMark works with partners to promote the retreatment of those nets.

6. Sustainability—NetMark is developing a "market" culture to replace what is now a "trader" culture, where suppliers and distributors simply sell what they can when they can. In this regard, NetMark has facilitated the growth of strong, lasting partnerships between suppliers and their distri-

butors. Over time the commercial sector will continue to increase its investment in the ITN market and grow a robust retail market, which will lead to long-term market viability and sustainability.

All NetMark activities are closely monitored and evaluated to measure the full impact on the ITN market. NetMark will continue to use a combination of behavioral and market research to guide program development and implementation.

Through its integrated and comprehensive approach, USAID's NetMark project aims to make a major contribution to the achievement of the Abuja targets, as well as to building long-term capacity within Africa to cost-effectively produce, promote, and distribute ITNs. •



NetMark is an eight-year project funded by the United States Agency for International Development (USAID) and managed by the Academy for Educational Development (AED). The project seeks to reduce the impact of malaria by increasing the use, availability and affordability of insecticide-treated bednets (ITNs) among vulnerable populations, and ensuring a sustainable supply of affordable ITNs across Africa through public/private partnerships.