

# NetMark News

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



## NetMark Partners with PSI to Market Treatment Kits in Mali



ALTHOUGH 70% OF HOUSEHOLDS in Mali have a mosquito net, only one in five nets is treated. To increase the rate of treatment, NetMark has joined with PSI to promote and distribute K-O Tab® treatment kits to pregnant women and children throughout Mali.

Manufactured by Bayer AG Laboratories, K-O Tab® treatment kits will be socially marketed under the PSI brand, Bloc®. Priced at an affordable 50 cents, most of the treatment kits will be widely distributed through pharmacies and promoted under a large-scale social marketing effort managed by PSI with funding from the Global Fund to Fight AIDS, Tuberculosis and Malaria and USAID's NetMark project. NetMark has provided PSI with 500,000 kits and is covering the cost of dedicated promotional teams and advertising. Approximately 100,000 of the NetMark-donated kits will be distributed free of cost to pregnant women through a voucher program in collaboration with CARE.

The partnership between NetMark and PSI was formally launched on July 6th by Mali's Minister of Health, Dr. Maiga Zeinab Mint Youba, at the Hippodrome in Bamako. The famous Malian singer, Leou Tirera, performed a song about malaria prevention and the benefits of Bloc® treatment kits. Other participants included: USAID Mission Director, Pamela White; Minister of Public Security, Colonel Sadio Gassama; Former Prime Minister, Younoussi Toure; National Malaria Control Program Coordinator, Dr. Massambou Sacko; the Hippodrome Health Center Team; and various representatives from the NGO community.

The NetMark/PSI partnership in Mali is the first time that the two groups have collaborated formally on project implementation. This will



Bloc treatment kit for sale at a pharmacy in Bamako.



Net treatment demonstration during the Bloc launch.



Bloc promoters at the official launch.

hopefully be the first of many joint efforts that build on the strengths and leverage the technical, financial and logistical resources of NetMark and PSI to achieve larger-scale impact than would be possible with separate programs. •

# New Data Show the Success of NetMark's Approach

*Cost per net delivered declines as investment by commercial firms increases*

FULL MARKET IMPACT

Increasing Sustainability

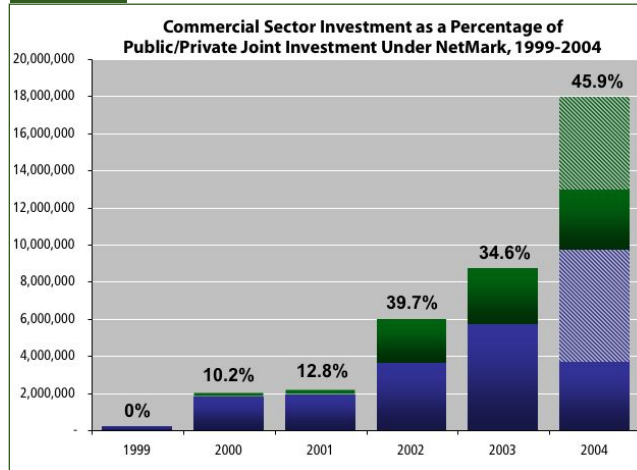
FIVE YEARS INTO THE NETMARK project, data continue to show the effectiveness of the NetMark approach in building sustainable ITN markets through joint investment with the commercial sector. NetMark's partnership with ITN manufacturers and distributors has resulted in tremendous leveraging of donor resources and a low cost per net delivered. Both factors are critical to achieving sustainable public health impact through increased use of ITNs in Africa.

NetMark is working with more than forty "core" commercial partners who have invested approximately \$9 million in building a sustainable ITN market in Africa, as of June 30, 2004, under this joint market development strategy. For every dollar that USAID has invested in NetMark in 2004, commercial partners have invested \$0.88. Figure 1 demonstrates the trend to almost equal investment by NetMark and commercial partners. This figure does not include investments made by a large number of "collaborating" commercial partners who benefit from NetMark generic demand generation and other support without having established formal joint investment agreements. Total commercial investment associated with NetMark activities is thought to be much greater than what has been officially documented.

*"NetMark is working with more than forty "core" commercial partners who have invested approximately \$9 million..."*

"The NetMark project has shown that international and African companies are willing to invest in producing, marketing, and distributing ITNs when working in partnership with the public sector," said David McGuire, NetMark's project director.

Figure 1



Projected Investment by NetMark's Core Commercial Partners Through December 2004.\*  
 Investment by NetMark's Core Commercial Partners Through June 2004.\*  
 USAID/NetMark Investment Through June, 2004.\*\*  
 Projected USAID/NetMark Investment Through December 2004.\*\*

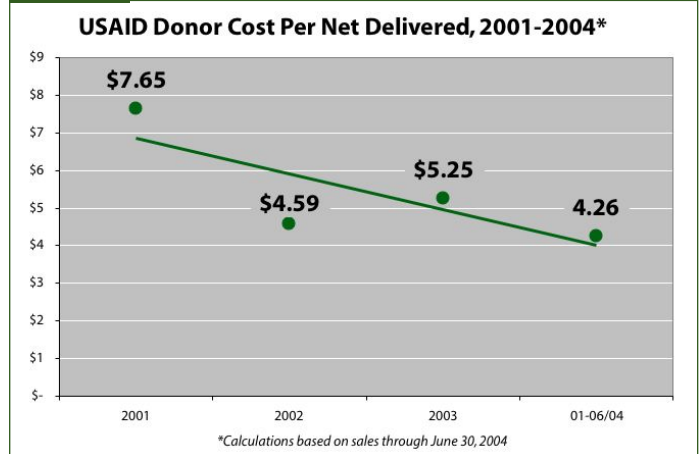
\*Commercial Sector Investment is limited to investment by NetMark's core partners, and includes product procurement, marketing, distribution, management and product development. Total commercial sector investment resulting from NetMark activities far exceeds what has been documented among core partners.

\*\*USAID investment includes all NetMark expenditures to date for implementation, conferences, campaign for retreatments, policy, research and program development.

"This commercial investment is setting the stage for long-term, sustainable ITN markets that reduce the financial burden on countries and donors. More of USAID's money, as well as other donors', can be spent on reaching the very poor and biologically vulnerable as the commercial sector is able to reach more and more of those who are willing and able to pay."

The increase in commercial investment has dramatically lowered the cost per net delivered. As seen in Figure 2, for 2004 the cost per net delivered is \$4.26 based on data through June 30. This is a 44% decrease from the 2001 amount of \$7.65. The cost per net delivered does not include the cost of the net itself, which is paid by the consumer. Instead, it includes all NetMark implementation costs, such as management, demand generation, marketing support to partners and targeted subsidy programs for pregnant women and young children.

Figure 2



\*Calculations based on sales through June 30, 2004

"Other approaches that have relied on donor funding for marketing and distributing ITNs have cost as much as \$15 per net," said McGuire. "NetMark is demonstrating the efficiency of letting each partner do what it does best. The commercial sector is unparalleled in marketing and distributing products, while the public sector offers the expertise to develop innovative programs to reach the vulnerable." •

# NetMark Supports International Business Meeting on LLINs



RETAIL AND INSTITUTIONAL demand for long-lasting insecticide-treated nets (LLINs) for Africa is on the rise and currently outstrips supply. UNICEF estimates that 30 to 40 million ITNs (conventional & long-lasting) are needed annually for the next five years to meet public health goals. A large influx of public funds is expected in the next year for the purchase of ITNs, and retail demand is rapidly increasing due in large part to NetMark's efforts. The consensus among stakeholders is that LLINs should be used whenever possible to eliminate the need for retreatment, but concerns remain about limited supply and capacity for distribution.

For the past several months, NetMark has worked closely with the RBM Secretariat and the Working Group on ITNs (WIN) to plan a meeting among key public and private sector stakeholders from around the world to review critical issues

affecting technology development, distribution, production, demand creation and marketing of LLINs. NetMark provided technical, logistical and financial support for this important meeting that took place in Johannesburg, South Africa on September 23rd and 24th. During the two days, participants identified obstacles to, as well as incentives for, the development, production and distribution of LLINs. They also identified strategic priority actions needed to make LLINs available to target populations. This was the first RBM meeting in which representatives from the private sector outnumbered those from the public sector.

In supporting this meeting, NetMark continues its effort to increase production of LLINs and make this technology available throughout Africa. "NetMark has been working to increase production of LLINs by supporting the development of new manufacturing technologies," says David McGuire, NetMark director. "We're

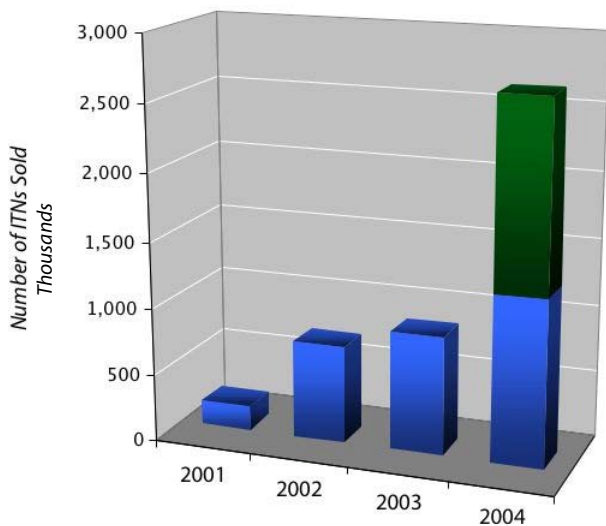
pleased to see such a strong representation from private sector companies at this meeting. It shows their interest and dedication to producing more LLINs, which will help us save more lives in Africa on a sustainable basis."

The increased demand for LLINs has been fueled in part by money from the Global Fund, which is enabling countries to scale up their plans for national distribution of LLINs. "The private sector's participation in this meeting is highly promising," says Dr. Awa Marie Coll-Seck, Executive Secretary of the RBM Partnership. "We expect the meeting to emerge with a strong roll-out plan for increasing production, and the private sector to drive this forward."

The meeting was attended by over 80 representatives of net and insecticide manufacturers, technology companies, oil companies, trading companies, ministries of health, donors, and NGOs. Key presenters and participants included the Honorable Minister of Health from the Republic of South Africa, Dr. Mantombazana Edmie Tshabalala-Msimangand, and Professor Jeffrey Sachs from the Earth Institute at Columbia University, who gave a keynote address by video conference. •

## NetMark Sales Update

Total Annual ITN Sales in NetMark Countries, 2001-2004\*



\* 2004 sales through third quarter

■ ITN Sales by Collaborating Partners  
■ ITN Sales by Core Partners

## NetMark Welcomes

### Regional Advocacy Partner Hires Full-Time T&T Consultant

Without the removal or reduction of high taxes and tariffs on ITNs, it is unlikely that the commercial sector will make the necessary investments to play its part in achieving the Abuja objectives as outlined in the RBM Strategic Framework. NetMark continues to work with RBM to raise awareness about the negative impact of taxes and tariffs on ITN availability and use, and to advocate for the changes that were endorsed by heads-of-state from across Africa in the 2000 Abuja Declaration. To this end, NetMark has partnered with The East, Central and Southern Africa Health Community (ECSA-HC), which has hired Mr. Chris Muhango as its full-time consultant for regional advocacy related to taxes and tariffs on ITNs. Chris will monitor the T&T situation in countries throughout the region and work with NetMark technical experts to develop and implement advocacy efforts using NetMark's computer-based model. This tool was designed to inform government decision makers about the potential positive impact on health and economic indicators that could be achieved through the elimination of T&T on ITNs, and to encourage them to become champions for change. •



## In Brief

### NetMark Launches Demand Creation and Market Expansion Activities in Lagos

NetMark officially launched the Lagos Demand Creation and Market Expansion (DCME) initiative on July 22, 2004. The launch event was presided over by the Oba of Lagos (the Traditional King). About 600 people attended the event, including representatives from commercial partners Syngenta, Sunflag, Harvestfield, Dangote Group, and CHI Pharmaceuticals.

The DCME activity is intended to increase consumer demand and interest among retailers in carrying the various commercial ITN brands. NetMark ITN promoters and EXP Momentum have conducted intensive promotional efforts, supported by a mass media campaign. Since the activity began, more than 600 new outlets have been opened throughout Lagos State and sales are increasing for the commercial partners who have been actively promoting their respective brands to the new outlets.

### SiamDutch and Palunet Move Forward in Senegalese Retail Market

SiamDutch and its distributor for the Senegalese retail market, Palunet, are strengthening their position by investing in their distribution network and increasing available supply. Palunet generated sales of more than 150,000 nets in the retail market in 2004, a sales increase of more than 50% from 2003. Based on increased sales volume and ongoing support from NetMark, Siamdutch has also agreed to increase the available credit to Palunet by 50%.

Palunet, which sells the SiamDutch brand Sentinelle, recently bought three new vehicles and plans to purchase more within the next month. This complements their current fleet of 3 vehicles and allows them to extend their reach far outside of the capital, Dakar.

Both SiamDutch and Palunet continue to show their commitment to the NetMark objectives through their concerted efforts to develop solid and sustainable distribution networks, as well as ensuring a constant availability of product in the country.

# NetMark Supports African Net Manufacturers' Efforts to Improve Quality



AFRICAN NET MANUFACTURERS ARE critical to reducing malaria in Africa; but to be successful in the long-term, they must produce products that can compete with the quality and variety of imported nets.

To help African net manufacturers apply international quality assurance standards to their factories, NetMark organized a workshop from September 27-29 in Johannesburg, South Africa. Staff members responsible for quality control from 10 African net manufacturers attended the workshop. The workshop was led by two textile experts from Global Textile Partners, Geert de Clercq and Dan McCreight, with assistance from Will Shaw of NetMark. The participants were from net manufacturers in Kenya, Nigeria, Tanzania, and Zimbabwe.

The main topics covered in the three-day workshop were:

- common problems in net manufacturing
- applying practical statistics to net manufacturing
- defining a quality control system
- industry standards for net manufacturers
- onsite testing to meet product specifications
- offsite testing options
- the role of NetMark in supporting African manufacturers

Representatives from Bayer ES and Sasol Ltd. discussed their LLIN technologies. In a discussion of the future of African net manufacturing and NetMark's potential role in helping them, the participants proposed the creation of an Association of African Net Manufacturers that would help them share technical information, cooperate on filling net



Staff from ten African net manufacturers in Kenya, Nigeria, Tanzania, and Zimbabwe attended the quality control workshop.



Net manufacturers work on quality control statistical exercises.

orders, and represent their interests in international forums. A working group was formed to move the creation of an association forward. NetMark agreed to play a supportive role if the companies took the leadership role in establishing the association.

The workbook created for the workshop will be revised and placed on [www.netmarkafrica.org](http://www.netmarkafrica.org) so that other companies can access this information. The workshop was funded by USAID's REDSO and WARP offices. •



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.