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Business Development of Insecticide Treated Netting (ITN) for Malaria Control in Africa - Final Report

Prepared for:

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Business Development of Insecticide Treated Netting (ITN) and ITN Home RE-treatment Kits for Malaria Control in Africa

- Encouraging A Private Sector Response -

Final Report to International Development Research Centre

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1.0 INTRODUCTION

With the full support and encouragement received from IDRC, MEDA Trade Co. Ltd., launched into phase two of this program with an ambitious plan to develop and expand the market for Insecticide Treated Nets (ITNs) in Africa.

Our goal for phase two of this project, as stated in the first interim report, was “ The creation of a strong, effective, fully funded ITN business association in Africa, initially operating in Uganda”. Over the course of the project, MTC determined that in order to meet the primary goal of the project¹, existing manufacturers and distributors needed to be invited into greater partnership with donors and provided with the resources to sell their products. MTC argued that increased manufacturing capacity, a key output of the initial project design, would necessarily evolve from increased competition and growing overall ITN sales. Indeed, in response to the still small but growing ITN market in West Africa, one of the largest textile manufactures in Nigeria has begun producing nets.

We continue to be convinced that such an association represents a cost effective and efficient vehicle for increasing marketing, awareness and distribution of ITNs. As a result of MTCs work in phase one, we first set out to convince manufactures and distributors of ITNs in Africa to join together into an association and then we endeavoured to attract donor funding to the association. Our specific objectives were described in the first interim report as follows:

- 1) Mobilize support for the ITN association among manufactures and distributors.
- 2) Write a proposal or proposals for funding from various donors.
- 3) Seek funding for the proposal(s).
- 4) Initiate ITN association in Uganda and seek opportunities for expansion.

¹ The IDRC Memorandum of Grant Conditions (pg. 1), states that the key project impact is “an increased African Private sector capacity to supply ITN products to satisfy African market demand for such products (which) will lead to significant local gains in Malaria prevention and control.”

To date there are seven committed members of the newly formed ITN Business Association in Africa. Following visits to key donors in Canada and Europe, we have identified two donors who may be interested in funding the marketing activities of the ITN Business association. Funding is still not assured from either donor, but we are well along in the proposal negotiation process with CIDA and we continue to be hopeful that funding will materialize. If funding for the association is received we will initiate the activities of the ITN business Association in Uganda.

As such, we feel we have successfully achieved the main objective identified at the outset of the project. We are well positioned to continue to increased African private sector capacity to supply ITN products to satisfy African market demand for such products.

2.0 PROJECT ACCOMPLISHMENTS - PHASE 11

Following the supply and demand market research work undertaken by MTC in phase one of this project, we determined that the main barrier to increased ITN usage was not a lack of manufacturing capacity as much as it was lack of demand. Consumers in Africa still do not realize how effective ITNs can be in preventing Malaria. Discussions with the manufactures of ITN products (as well as observations of the growth of the market for nets in Tanzania) led us to believe that the manufactures and distributors of ITN materials would be in the best position to advertize and distribute their own products. We proposed that the best way of assisting them to do this would be to attract donor funding to help them access the advertizing and media services that would be needed to raise awareness, grow markets and compete with each other. With the approval of IDRC, who agreed to support our efforts in pursuing this strategy, we were able to achieve much during phase two.

2.1 Objective # 1 - Form an ITN Business Association

Discussions regarding the formation of an ITN Business Association began during the 2nd International ITN conference held in October 1999 in Tanzania. It was agreed by many of the companies represented at that conference that an association would be a good idea. But competitive rivalries and distrust among the companies made progress towards an association very difficult. The potential members pointed out that an impartial mediator such as MTC would need to take the lead in forming the association.

MTC realized that an association would only work if the members were committed to it and that commitment would only be assured if there were tangible benefits to membership. It was also clear that the organization of such a group and the development of funding proposals on behalf of it, would take time and resources. IDRC was approached to consider allowing the remaining resources of the ITN proposal to be used towards the formation of the association and to seek funding for it. With this commitment from IDRC we began to finalize the membership and attract donors to the cause.

Association member companies were asked to pay membership fees of \$US 2500 each. The membership fees were set high enough to ensure that members would take membership seriously, but low enough to not exclude any potential members. These fees will also be used to offset costs related to management of the association during its first year of operation in

Uganda. Of the 12 potential members identified in Dar es Salaam, 7 have signed on and paid membership dues. A full list of members may be found in **Attachment A**.

2.2 Objective # 2 - Write a Proposal for Donor Funding

The main attraction of an association for the member businesses, is the potential of receiving assistance in building new markets in various African countries. Most member businesses are eager to expand sales beyond the NGOs, social marketing agencies and government ministries that they currently sell to. Margins on bulk sales are low, competition is increasing and they are unable to make inroads into the consumer markets that they believe exist. At the same time, the member businesses are cautious about trying to build markets in areas where there is little or no understanding about the product or its benefits.

The commitment made by MTC to the members, was that we would attempt to act as “benign brokers” between the donors and the association members to develop funding proposals and manage the donor funds upon receipt.

During this phase of the project, MTC managers met with numerous funding agencies to gauge interest in and seek support for the association. It was our belief that the two best opportunities for funding were the Canadian International Development Agency (CIDA) and the UK Department for International Development (DFID). The funding proposals for these two agencies appear as **Attachment B and C** respectively.

2.3 Objective # 3 - Seek Funding for the Proposal

It was not immediately clear if any donor agencies would be interested in funding the activities of an association of private companies. MTC began discussions with donors in the US (AID and PATH Seattle), DFID UK, WHO, GTZ Germany, DANIDA Denmark and CIDA Canada. We felt that the best chance of funding would come from donors in the home country of one of the association members.

These donor meetings included trips to the UK, Denmark, Switzerland and Ottawa. The results of these meetings were somewhat disappointing as it seemed that, with the exception of CIDA, donor agencies did not share our enthusiasm for such a market based approach to ITN distribution.

The industrial cooperation branch of CIDA did respond to the ITN Business association concept with interest and a request for a full proposal. This proposal is currently being vetted by the CIDA Industrial Cooperation branch and we are hopeful that it will be approved. .

2.4 Objective # 4 - Initiate ITN Association in Uganda and Seek Opportunities for Expansion

The interim report for this project summarized the findings of the supply and demand analysis of the six African countries studied in phase one of this project and gave justification for the choice of Uganda as a good country for follow-up action. In order to develop a proposal for Uganda, it was necessary to travel there and meet with all the players in the ITN sector and initiate discussions with possible partners for local management of the program, should it attract funding. During the trip, I met with the Ministry of Health, the local representatives of the association members, potential business partners and numerous media outlets. The media outlets provided me with costs and rate indications for various media services. This trip laid the necessary groundwork for the preparation of the funding proposals to CIDA and DFID.

In all, we are pleased with the accomplishments of phase two. We have commitment from 7 ITN businesses, discussions with CIDA regarding funding of the association in Uganda are going well and we are well placed to help make the private sector a full partner in ITN market development in Uganda.

3.0 VARIANCES FROM BUDGET AND PLAN

The main variance from budget and plan is a common issue with projects such as this. We underestimated the amount of time it would take to accomplish all of the things we wanted to accomplish. Some of these additional time costs have been included in the "Team Leader" line of the attached budget while still keeping the entire project on budget and the "personnel Resources" category within 10 percent of budget. Other than this minor variance we have delivered the agreed upon outputs in line with budgetary expectations.

The final budget for the project appears as **Attachment D**.

4.0 CONCLUSION

We believe that the project has met its objectives and that the IRDC funding has been well invested in an ongoing and viable plan which will produce lasting affect on ITN distribution in Africa. The proposed strategy has the potential to transform the way ITNs are marketed in Africa. It has the potential to mobilize the private sector into using its own resources to increase production, encourage competition and create innovative new marketing programs to the benefit of African consumers.

Attachment A

ITN Business Association - Member List

<i>Company Name</i>	<i>Primary Contact Name</i>	<i>Primary Location</i>	<i>African Regional Offices</i>	<i>Phone</i>	<i>E-mail</i>
Aventis (formerly AgrEvo)	Dr. John Goose - Technical manager	U.K	Numerous	44 1223 252342	john.goose@aventis.com
Bayer	Dr. Gerhard Hesse Head, Vector Control	Germany	Numerous	(02173) 383207	GERHARD.HESSE.GH @bayer-ag.de
Zeneca	Dr. Graham White	UK	Numerous	44 181 940 1205	grahambwhite@compuse rve.com
Zeneca	Neil Mitchelmore	Kenya			zeneca@net2000ke.com
Vestergaard Frandsen	Torben Vestergaard Director	Denmark	Kenya, Ivory Coast, others	45 75 50 30 50	tvf@vestergaard- frandsen.dk
Vestergaard Frandsen	Thomas Tolstrup Hansen - East Africa Rep.	Kenya	Uganda, etc.	254 2 444 758	vf@net2000ke.com
SunFlag Textiles	Keith D'souza	Nigeria	Nigeria, Tanzania		keithd@infoweb.abs.net
Sun Flag Textiles	Alok Bhardwaj	U.K.	Nigeria	01923- 776860	alok@btinternet.com
A to Z	Binesh Haria	Tanzania	Tanzania	057- 3311/2375/ 8888	azpfl@yako.habari.co.tz
Siam Dutch	Marcel Dubbelman, President	Thailand	Numerous	66-2-258- 5621	info@siamdutch.com

** The first four entries are chemical / insecticide manufactures and the last five entries are mosquito net manufacturers.

Attachment B

Project Contact Information

Proposal Title : Malaria Control through ITN Marketing
Project Leader : Jerome Quigley
Position/Title : General Director
Company Name : MEDA Trade Co. Inc.
Address : 155 Frobisher Dr., Suite I-106
City : Waterloo
Province : Ontario
Postal Code : N2V 2E1
E-Mail : jquigley@meda.org
Telephone : 519-725-1715
Fax : 519-725-9083

Other Companies

Proposed Host Country Partner(s)/Client(s)

List the Proposed Host Country Partner(s)/Client(s) who are participating in the project for which you are requesting CIDA's support.

Company Name : Commodity Exports International Ltd.
Contact Name : Karim Somani
Position/Title : President / CEO
Address : Plot 5 Nyondo Close
Address : P.O. Box 10241
Address : Kampala
Address : Uganda
Telephone : 256 41 343987
Fax : 256 41 344174
E-Mail : cei@starcom.co.ug
Years In Business : 5
No Of Employees : 55
Sector Of Activity : Health and Nutrition

List any related experience that the proposed Partner(s)/Client(s) may have.

Partner:

CEI is a Ugandan Company with whom we have worked in the past to import, market and sell 1.5 million dollars worth of Canadian cooking oil. They have built an excellent network of partners in business and government which can be accessed to meet the objectives of the project. Existing businesses include food commodity marketing, seed and agricultural distribution and a dairy company which sells milk and dairy products throughout the country. Our plan is to invest with CEI in the creation of a Marketing Services Company which would be responsible to service the marketing and media needs of our client businesses selling Insecticide Treated Bednets in Uganda.

Clients.

The newly created Marketing Services Company will begin operations with commitment from the 6 member companies of the existing ITN Business Association. This association has been formed by MEDA to develop strategies to increase distribution of ITNs throughout Africa. The six member companies of the association have paid membership fees of \$US 2,500 each to support the initial development of the association and its goals. Thus, the initial client base of the new company will be the local Ugandan partners of international companies involved in distribution of ITNs in Uganda. These local representatives are already committed to use the newly created Marketing Services Company. All of these client organizations have credibility in the sector and most have registered as suppliers to UN organizations such as UNICEF and WHO. In addition, their international presence and marketing activities show considerable financial viability and commitment to the project.

Provide other pertinent background information on your prospective Partner(s) / Client(s) (i.e. general description, financial viability, credibility in the Host Country, commitment to the project) :

In forming the Marketing Services Company, MEDA will partner with a Commodity Exchange International (CEI), because we have worked with this company in Uganda already and have developed a respect for their knowledge of the local business sector and their ability to accomplish results in a very challenging business environment. CEI is involved in seed and agricultural distribution throughout Uganda, in selling food commodities commercially and as an agent for distributing food for international aid projects. Large NGOs and international aid agencies such as the World Food Program have worked with CEI in the past. CEI also owns the second largest dairy in Uganda which gives them a keen perspective on sales and distribution of consumer products throughout Uganda. They have solid financial backing and access to local bank credit lines.

Key to this initiative is the six member ITN industry association described above. This association is important because the member companies have agreed to work through the association, where necessary, to achieve overall market impact. The member clients are clearly willing and able to invest their own resources in marketing through the MEDA Marketing Services Company if donor funds are also made available to share the costs of creating awareness and communicating the health message that ITNs provide protection from Malaria. These six entities are local representatives of larger companies working throughout Africa. This regional African experience indicates that the six member companies have the requisite financial resources needed to be a part of the creation of a new and significant market for ITNs in Uganda.

What will be the main contribution of the proposed Partner(s) / Client(s) in the overall project?

The local partner (CEI) will provide all local logistical support including government liaison, incorporation, local project management and will assist MEDA Trade to oversee the activities of the Marketing Services Company to ensure compliance with the goals of the project and with the budget. CEI and MEDA Trade together will invest in the cost of

the local infrastructure to ensure that the initiative is managed properly. This investment would include personnel, office, local travel and support.

The six member clients will inject an estimated \$C 700,000 into marketing and management expenses designed to expand the ITN market in Uganda. Approximately half of this amount will be direct payment for advertising and media services (expended through the Marketing Services Company) while the remaining investment will be spent on staff, support, inventory and distribution. As mentioned, these six members have already agreed to procure media services and advertising services through the Marketing Services Company in order to benefit from the increased overall market development and from the lower prices afforded through bulk purchasing.

Technical Proposal

Eligible Country : Uganda

Financial Support Mechanism : INVESTMENT-Project Support Investment

Sector of Activity : Health and Nutrition

Project Description : The proposed project will bring together the resources of MEDA Trade Co. (MTC), our local Ugandan partner (CEI), six local Ugandan distributors of mosquito nets and/or insecticide and CIDA to develop the market for Insecticide Treated Mosquito Nets (ITNs) which have proven to be a most cost effective intervention for the control of Malaria. A local entity owned by MTC will be formed in partnership with CEI to provide marketing support and media services to the six associated ITN companies.

The burden of Malaria in Africa is well documented. The WHO Fact Sheet No. 203 (October 1998) states "There are an estimated 300 - 500 million cases of Malaria per year. The majority of these occur in Africa, while the vast majority or the estimated 1 million annual deaths from the disease occur among children, and mainly among poor African children". We know that Malaria is responsible for more death and illness than any other tropical disease and that the problem is growing. Since the first research in Papua New Guinea 14 years ago, experience has proven that Insecticide Treated Mosquito Nets (ITNs) are one of the most effective protective measures against Malaria. These are the things we know...that the human and financial costs of Malaria are huge and growing and that ITNs can help to prevent its spread. But so far in Africa, efforts have often failed to provide a cost effective and sustainable methodology for getting ITNs into the marketplace and into the homes of those who can most benefit from them.

WHO has placed the need for ITN materials in Africa at 30 million nets and 100 million net treatments per year by the year 2005. By 2005, WHO has challenged donors, NGOs, government and the private sector to work together to ensure the total stock of nets increases from the present 4 million nets to 120 million nets. The market is clearly poised to take off. The challenge is to supply these needs within the fiscal constraints of the African health sector. In spite of the fact that studies have shown a 25% decline in all-cause deaths among children under five years of age when nets are used properly, it would be unrealistic to assume that nets and insecticide could ever be distributed for free

throughout Africa because the resources to do so are not available. Further, it would be wrong to use scarce public health care resources for nets and insecticide when many consumers would be willing and able to buy them on their own. Efficient and cost effective distribution of nets should begin with the private sector and rely on NGOs and governments to supply nets only to those that the private sector is unable to reach. The business sector must be encouraged to do what it does best - to identify markets, to advertise and increase awareness for its products and to distribute its products to consumers. Other approaches that do not encourage the private sector to take a lead in the distribution of nets will waste precious health sector resources and undermine the sustainability of the market.

MTC, with the support of the International Development Research Centre (Canada) has, for the past year, been studying ways to assist the private sector to be a more effective partner in the production and distribution of nets in Africa. This work has given us a unique background to work with private companies in Africa to support their efforts to market and distribute ITNs. As part of this initial research, MTC has completed a comprehensive review of supply and demand for ITNs in six African countries, including Uganda. This report is included as additional information.

This project begins with MEDA Trade Co., investing approximately \$60,000 of the total \$150,000 needed to launch a local Ugandan Entity which will provide marketing, research and media buying services to (among others) the six member companies of the ITN industry association. These companies will invest approximately \$700,000 to develop markets and purchase advertising through the Marketing Services Company created by MTC. CIDA support is needed to ensure strong social objectives are met. CIDA's marketing support money will push the private sector to enter the market more quickly and aggressively, to encourage the private sector partners to direct advertising at vulnerable sectors of the society such as pregnant women and children, to maintain high environmental standards in product packaging and directions for use and to ensure consistent and technically accurate advertising messages.

MTC's market research and information received from the association member companies indicates that the current potential market for ITNs in Uganda is 1.5 million nets and 4 million insecticide treatments per year. Unfortunately, less than 100,000 nets are currently being distributed and almost all of this distribution is through government ministries and NGOs, not through private sector market distribution channels. This project will support the efforts of member companies to develop and expand the "retail sector". Through this project we expect to increase private sector distribution of ITNs by up to 1 million nets per year which might save thousands of lives and preserve significant health care dollars through decreased Malaria transmission.

Objectives

The overall goal of this project is to mobilize and direct public and private sector resources towards ITN marketing and distribution. The project will provide for the creation of an Marketing Services Company in Uganda, which will serve as the conduit through which private companies will advertise and raise awareness of ITNs in a

competitive environment. CIDA support will match the media buying expenses of the private companies and ensure that this private sector demand generation is directed at areas of significant and proven social need. For instance, through cost sharing, we can ensure that advertising is directed at more remote communities, at populations at high risk of Malaria such as women and children under five years of age and ensure that environmental standards for insecticide distribution are met.

The association model is important, because we know from experience in Tanzania over the past five years that a thriving ITN market, with many competitors can substantially increase net usage rates and lower prices. Tanzania has three major net companies and numerous social marketing groups selling nets at prices that have fallen from over \$10 five years ago to \$4 today.

We acknowledge from the outset that businesses alone will not be able to ensure equitable distribution to all populations in Africa at risk of malaria. Certain communities or consumers will always be too remote or too poor to afford commercially distributed ITNs. These families and these communities should be the focus of NGO or government programs. But the larger populations should be serviced by the private sector so as to save scarce health sector resources for other less accessible populations.

The specific objectives of the project are as follows:

- 1) To increase the sale and distribution of ITN materials in Uganda thereby saving lives at risk from the spread of Malaria.
- 2) To form a local Ugandan entity, with trained personnel, to provide market access services to a wide array of companies, especially those selling products with high social impact, such as ITNs or perhaps later, contraceptives.
- 3) To prove that our methodology which relies on partnerships between donors and the private sector is able to increase demand and assure distribution of ITNs. Success in Uganda will be replicated in other African countries.
- 4) To bring together an association of businesses involved in the ITN market so as to ensure fair competition in the sector and lower prices for consumers.
- 5) To create a sustainable local market for ITNs in Uganda at two levels. First through support to fledgling local enterprises that, along with parent companies, produce, sell or distribute ITN materials. Second, through the creation of a local marketing company that provides marketing services to Ugandan firms.

Methodology :

This project begins with the realization that the most cost effective and best strategy to assure greater distribution and lower prices for ITNs is one that helps businesses to promote their products and compete fairly with each other. To this end, the MTC-initiated association of businesses involved in ITN production and distribution in Africa

is an ideal forum or method through which donor agency resources may be used to assist businesses to develop a market which will have significant social impact and which would otherwise not evolve as quickly, if at all.

At the conclusion of the project, the association members will work independently to devise marketing strategies within Uganda which will generate sales for their own products. Initially, CIDA funds will be made available through the MTC marketing support entity on a matching basis to encourage activity and to ensure that the marketing undertaken by the association members is meeting CIDA's objectives for gender equity, geographic scope and that the products sold are environmentally safe.

Demographic analysis within Uganda shows that the five main urban centres within Uganda contain only 4.5% of the population of the country. The association members, with the assistance of the MTC marketing support entity will work to develop marketing and distribution strategies which will reach less concentrated populations. CIDA funds will allow member businesses to reach consumers in markets that might otherwise be ignored for lack of sufficient populations. After the initial assistance, the private companies themselves will continue to supply ITN materials. Obviously businesses would not turn away from new and growing markets that they have already invested in.

Terms of Reference / Workplan :

MEDA Trade will be responsible for bringing together the key companies involved in production and supply of ITN materials through our existing association. The association members will then market their own products with the assistance of the marketing entity set up by MEDA Trade and by CEI, the local Ugandan partner. MEDA Trade will also be responsible to ensure that the CIDA money made available to the association members, in support of their marketing activities is expended properly so as to meet the social objectives of the project.

The specific activities of the workplan follow:

1) Month 1 - 6.

Establish ITN business Association (Done)

Undertake planning trip and feasibility study to Uganda, select local partner and develop plan of action. (Done)

2) Month 6 - 7

Develop funding proposal, meet with potential donors.

3) Month 7.

Set up local marketing services company with investment from MEDA Trade and local partner.

Develop criteria for providing matching funds to association members.

Compile baseline data on sales of nets and insecticide.

4) Month 8 - 12.

Assist member firms to select local distribution agents and plan marketing strategies for Uganda.

Assist member firms or their agents to access funding from BUDs (World Bank Program) for related professional services for marketing creative services, design etc..

5) Month 12 to 24

Assist member companies with ongoing marketing programs and with distribution issues. Lobby government on behalf of association members for tariff and value added tax exemption.

Disburse matching funds according to funding criteria.

Monitor advertising and promotion to ensure compliance with funding criteria.

Benefits to Canada

Commercial and economic benefits to Canada within the first 5 years of operation.

Applicant

Sale of Goods : 0

Sale of Services : 450000

Sale of Integrated Goods & Services : 0

Dividends : 0

Royalties : 0

Technology Fees : 115000

Applicant Total : 565000

Other Organisations :

Sale of Goods : 0

Sale of Services : 0

Sale of Integrated Goods & Services : 0

Dividends : 0

Royalties : 0

Technology Fees : 0

Other Organizations Total : 0

Estimate the number of permanent jobs in Canada that will result directly from the implementation of the downstream project

Created : 3

Maintained : 1

Total : 4

Identify the types of companies that may benefit directly from the implementation of the downstream project. Provide company name(s) and province(s) of operation of firms that could be involved in the ultimate downstream project.

While this project and the benefits of it, are primarily directed at Africa, there are some Canadian firms that are involved in the ITN sector and are working to develop products and technologies that meet key ITN needs. For instance, one need identified by most professionals involved in the ITN sector is a desire for an insecticide that is long lasting or even permanent. A long lasting insecticide would eliminate the need to re-treat nets with insecticide every six to eight months. The re-treatment process is the cause of much confusion among African consumers. A Canadian company called Insecta in Rosemere, Quebec, has done a great deal of research and development on an insecticide which would last more than three years on a net. MEDA Trade's work in the sector and within the industry would provide an excellent place of entry for this Canadian development after it has been fully researched and accepted as a WHO approved product.

Describe the indirect benefits that the implementation of the ultimate project could generate in Canada.

Increasingly, Low Income Countries are looking to partnerships between the public and private sector to help them deal with social concerns. To date numerous models have been tested to attempt to gain market acceptance of socially beneficial products such as ITNs and contraceptives. Most of these models have been expensive and unproductive because they support non-profit "social marketing" groups who have little experience in marketing the desired products and because these projects are seldom sustainable in the long run. Some Countries such as Canada have a role to play in developing new social marketing models and in assisting Low Income Countries to develop market responses to certain social concerns. This project has the potential to help Canada maintain its leadership position in development through innovation and partnerships.

MEDA Trade believes that a successful trial in Uganda would attract significant donor attention for other African countries. The Malaria problem affects all but the most Southern and Northern countries of Africa. We are confident that this model would be supported by other donors in other countries if this Uganda program resulted in greater distribution. This expansion of activity would be attributable to the initial Canadian investment and would result in several jobs for ongoing management of the program.

Benefits to Host Country

The proposed project will provide Commercial / Economic Benefits to the Host Country through :

Job Creation ? : Yes

Gains in Production ? : Yes

Import substitution / Foreign exchange savings ? : No

Increased Export Potential ? : No

Foreign Exchange Earnings ? : No

Explain the Commercial Economic Benefits to the Host Country identified above.
The economic benefits to the Ugandan economy will occur through direct job creation,

through health sector savings as well as through improved productivity through better health.

Through this project, six companies will begin or increase distribution of ITN materials in Uganda. This commitment to developing the market will require increased employment in marketing, administration and distribution. We may reasonably assume that each company will on average require two additional employees in order to service the market for ITNs. This translates into an additional 12 jobs created. Admittedly, the job creation impact might be higher if there was a local Ugandan firm producing nets. This is unlikely to happen though, until such time as the increased demand convinces an entrepreneur that the market will support local production.

Up-to-date, accurate health care statistics for Malaria in Uganda are difficult to calculate given the shift of the Ministry of Health to direct government resources at integrated health solutions that do not target or track individual case treatment. At the same time we do have aggregate numbers for Africa which indicate that the most significant economic affect of increased ITN usage will be achieved through improved productivity and decreased public expenditure on Malaria treatment. Throughout Africa, USAID estimates that the economic cost of Malaria - including lost wages and treatment - was \$US 3.5 billion dollars. In many countries, the treatment of Malaria consumes up to 40% of all public health care expenditures. At the household level, as much as 20% of the disposable family income is spent on largely ineffective malaria treatment. Increased net usage will translate directly into fewer cases of Malaria and less economic cost to treat it.

Public health managers in Africa have recognized the importance of ITNs to overall public health strategies. Unfortunately, the policies of well meaning NGOs and Governments have undermined the widespread distribution of ITNs. By subsidizing the price of ITNs, they have often discouraged the private sector from entering the market. Further they have often been distributing subsidized products to people who can afford the full cost. This project targets private sector distribution first, thereby allowing NGOs and government to save scarce health care resources for those populations who most need public assistance.

Estimate the number of permanent jobs in the Host Country that will result directly from the implementation of the downstream project.

Female : 6

Male : 6

Total : 12

Qualitative Benefits

The implementation of the ultimate downstream project should provide the following Qualitative Benefits to the Host Country :

Benefit 1 : The protection and promotion of human health

Benefit 2 : Integration of women in the development process

Benefit 3 : Poverty alleviation

Benefit 4 : Other

Benefit 5 : Other

Provide an explanation of the Qualitative Benefits to the Host Country identified above.

The qualitative benefits of this project to Uganda are clear, significant and clearly in line with the health priorities of the Ugandan Government, the World Health Organization and numerous other agencies - all of which are committed to the "Roll Back Malaria" movement announced by the Director General of WHO, Dr., Gro Harlem Brundtland in 1998. Insecticide Treated Bednets save lives. This has been proven in numerous trials throughout Africa and in countries with widespread net distribution such as Thailand. The project will benefit Uganda in several areas as follows:

1) Protection of Health. The numbers are staggering. Of the 300 to 500 million cases of malaria each year, most occur in Africa. The vast majority of the over 2 million deaths caused by malaria each year in Africa occur mainly among children under five. ITNs, when used properly, and consistently can reduce child mortality by 25% to 35%. Effective, widespread ITN usage has the potential to save the lives of 500,000 children annually. This project will assist the private sector, those companies currently producing and distributing nets in Africa, to invest money to expand markets and improve distribution of ITNs.

2) Integration of Women. Along with children, malaria is especially dangerous for pregnant women and as a result, agencies such as UNICEF have made net distribution for pregnant women a priority. UNICEF studies have shown that malaria is a leading cause of low birth rates and contributes to high rates of maternal death. Also, the health burdens of a family, especially sick children, fall disproportionately on women as care givers. Tending to malaria infected family members means less time for women to attend to other family priorities, including income generating activities.

3) Poverty alleviation. As the leading cause of illness in Africa, malaria leads to the largest number of unproductive days. UNICEF research shows that in Africa, a worker suffering from a bout of malaria will lose 10 working days on average. A wage earner who contracts malaria will cause family income to drop significantly from lost wages as well as treatment during each bout of malaria.

4) Other - Education. In affected areas, UNICEF indicates that a child will suffer an average of six bouts of malaria each year, making malaria by far the most common cause of school absenteeism. In some areas, more than one third of primary school children have had malaria in a single school term, each child typically missing one week of school.

5) Other - Sustainability. Most current programs for ITN distribution rely on NGOs, social marketing groups or governments. When the donor money runs out, there will be

no lasting market or no private company to invest in ongoing distribution. By including private companies from the start, this project will encourage ongoing investment and a commitment to the local market long after the project ends. It is unlikely that the association members will ignore markets they work to build and that they have invested in.

Training and Human Resources Development (HRD)

Objectives

Training Objectives.

MEDA Trade Co. will train local Ugandans through the marketing services company to provide market access services such as product awareness campaigns, advertising design, and campaign implementation. These market access services will especially relate to goods with high social impact, but low consumer acceptance. Examples of such high social impact products would be contraceptives for the control of AIDS and other sexually transmitted diseases, oral rehydration formulas for treatment of dehydration and diarrhea, and especially the focus of this investment; insecticide treated bednets for the control of malaria.

Most importantly perhaps, the ITN Association member companies will train consumers, through media messages, of the importance of insecticide treated nets for protection against mosquito transmitted malaria.

Methodology

Training Methodology.

MEDA Trade Co. has already mobilized the participation of 6 companies through an association of private sector firms involved in mosquito net production or mosquito net insecticide production. These companies will develop advertising and consumer awareness materials through the MTC initiated marketing services entity. These materials will instruct consumers and create awareness of the community health benefits of ITNs. CIDA funding will be used to assist these companies in the design and dissemination of the public health messages.

Term of Reference / Workplan

See terms of reference for "technical proposal"

Social / Gender Impact

Key issues to address the integration of women into the project

MEDA Trade market research indicates that most of the customers buying nets are men, since men traditionally control the family finances and make larger family purchases. Yet UNICEF, WHO and other donors agree that the populations at highest risk of death from malaria are pregnant women and children. This project will work with the private

sector partners (the association members) to ensure that advertising messages contain information about the importance of protecting women and children from mosquitoes and malaria. As the populations at greatest risk, pregnant women and children will be the greatest beneficiaries of increased ITN usage.

Although this project will have no legal control over the staffing choices and the advertising programs of the association members or the media outlets they use, we will use the contribution of CIDA to influence these decisions through moral suasion. We will constantly remind the association members of the importance of including women in the advertising campaigns produced for newspapers, posters, skits and radio.

Methodology

MEDA Trade has a board approved institutional gender policy in place which has been revised and updated in 1998. This policy commits MEDA Trade to achieving gender equity at all levels with in MEDA and among our partners and programs to the extent possible. At minimum, MEDA Trade will insist that CIDA resources are used to encourage gender equity at two operational levels. First, that women are properly represented in the media campaigns financed jointly between CIDA and the association members. We will withhold payment of contributions to the awareness and media campaigns unless women are represented in more that 50% of the audiovisual material. In addition, MEDA Trade will encourage the association members to include not only visual messages of women in the advertising materials, but specific attempts to direct the ITN message at women and to place the messages in places where women will see and respond.

At the second level, we will encourage equitable employment practices among the association members and the media services that they use.

Term of Reference / Workplan

No specific resources will be hired to ensure the integration of women into the project. We believe that MEDA Trade's experience in integrating women into our development initiatives is well established and that our gender policy and methodology described above is sufficient to ensure the full participation of women.

Environmental Impact

Is the primary objective of this project to assist the developing country in protecting the environment and/or addressing local, regional, or global environmental concerns ? No

Objectives

There is a detailed discussion of the environmental affects of ITNs in the publication entitled ITN Projects: Handbook for Managers. (Desmond Chavasse, Catherine Reed, Kathy Attawell; Malaria Consortium, London, 1999). The key environmental concerns

surrounding ITNs relate to the effect of the insecticide on humans and on the environment.

The only group of insecticides recommended for the treatment of mosquito nets is the synthetic pyrethroids. Over the years, synthetic pyrethroids have been used extensively in the treatment of nets and have been generally approved for net usage by the World Health Organization Pesticide Evaluation Scheme (WHOPES). Synthetic pyrethroids work by mimicking the insecticidal activity of natural pyrethrum which is derived from flowers belonging to the chrysanthemum family. This project will support the efforts of several agro-chemical businesses to develop markets for WHO approved products in single use dosages. Many projects in the past have experimented with group or communal "net dipping" schemes, but results have been disappointing. Most managers involved in net programming and researchers have recommended single dose insecticide treatments which last from 4 months to one year. Significant research is currently being done on insecticides which would last for the entire life of the net.

Most of the adverse effects of insecticide on humans is reported not among those using insecticide treated nets but among those who are working for communal net dipping programs. These workers are exposed to much higher levels of insecticide for much longer periods of time. Among net users, the most commonly reported side effects include nasal irritation and sneezing during the first few days after treatment.

Adverse effects of pyrethroids on non-targeted organisms and the physical environment include toxicity to fish and other fresh water animal life. But unlike DDT, pyrethroids do not persist in the environment for long periods of time. Although they last for months on synthetic fabrics, in soil, pyrethroids break down to form much less harmful toxic products.

Methodology

This project includes participation by several insecticide manufacturers. All are large, well respected organizations with many years experience in formulating, distributing and training users of their insecticide products. This project will ensure that any funds from CIDA sources will not be used for assistance to distributors of insecticide products that are not approved by WHO and that do not have acceptable, clear instructions on the proper use of, protection from and disposal of their insecticide products.

Term of Reference / Workplan

No specific resources outside of those provided through the overall management of the project by MEDA Trade Co., will be needed to ensure that environmental concerns are respected. Compliance to MEDA Trade's documented environmental policies and procedures will be assured by MEDA Trade Co.

Is an Environmental Assessment (EA) Report provided with this proposal ? No

Downstream Financing

This screen captures information on expected sources of financing for the implementation of the ultimate project in the Host Company.

Provide information on the estimated cost of implementing the entire project.

The proposed project requires investment / funding from a wide array of partners. Some of this cost has already been paid for in the planning and design stage of the program. For instance \$175,000 has been spent by IDRC to assist MEDA develop this strategy. The complete list of downstream investment / funding follows.

Investment Source : World Bank

Project Identification : BUDS program - support for professional services cost sharing

Funding Amount : 150000

Contact Name : Habib Tibrichu

Telephone :

Fax :

E-Mail :

Investment Source : Host Country Partner or Associate

Project Identification : Initial Investment in Marketing Services Company

Funding Amount : 70000

Contact Name : Karim Somani

Telephone :

Fax :

E-Mail : cei@starcom.co.ug

Documentation attached ? : No

Host Country Contribution

The activities that will be supported by the Partner/Client in this phase of the project are not part of the eligible expenses budget. Please provide an indication of their value both monetary and in terms of contribution to the success of this phase of the project.

The host country contribution may be calculated at three levels.

First, MEDA Trade's partner in this initiative, CEI will invest approximately \$70,000 and a great deal of time and effort in the formation of the Marketing Services Company.

Second, the local client members of the ITN association will invest \$390,000 to purchase media services such as radio, television and newspaper as well a significant amount on creating distribution systems and managing their activities in country.

Third, a local Ugandan business support program called "BUDS" has indicated that they would support, on a one to one matching basis, the professional costs incurred by the member companies as they ramp up activities. Eligible costs would include market research, advertising design, professional consultancies and management assistance. The local Marketing Services Company would assist in helping the member companies to access this funding mechanism.

Forecast Payments Schedule

Claims for payments normally should be made in accordance with the following forecast:

Contribution by CIDA : 513200

Payment Date (YYYY/MM/DD)	Amount
1 : 2000/06/01	100000
2 : 2000/09/01	100000
3 : 2000/12/01	100000
4 : 2001/03/01	100000
5 : 2001/09/01	113200
6 :	
7 :	
8 :	
9 :	
10 :	
11 :	
12 :	

Final Payment : 0

Attachment C

DFID – Innovation Grant Application

Part I – Title page

Proposal Title: Malaria Control through ITN Marketing

Abbreviated Title: Malaria Control through ITN Marketing

Name of Applying Group: Mennonite Economic Development Associates- subsidiary, MEDA Trade Co. (MTC).

Project Summary:

The goal of this proposal is to develop better and more cost-effective methods of marketing insecticide treated mosquito nets (ITNs) in Nigeria. ITNs have proven to be a most effective health intervention in the control and prevention of Malaria.

This project seeks to attract private sector companies and the resources of these private sector companies, to the international movement which is currently underway to make ITNs more assessable throughout high risk malaria regions. The project will mobilise the resources of an existing ITN Business Association made up of 6 to 8 companies involved in production and/or distribution of ITNs in Africa. We will test to see if marketing subsidies, targeted at the private sector members of the ITN business association, can be a more cost effective and sustainable alternative to traditional social marketing schemes.

By utilising the resources of the private sector, we will be able to advertise and raise awareness of ITNs in a competitive environment. The association model is important, because we know from experience in Tanzania over the past five years that a thriving ITN market, with many competitors can substantially increase net usage rates, and lower prices.

This project works with the private sector partners of the existing ITN industry to ensure long-term sustainability in creating and serving the ITN market and to ensure that a commercial distribution strategy is employed. This strategy, when used wherever possible and affordable, will ensure that scarce health care resources are reserved for use in other areas of high need.

Total Financial Support Requested from DFID: £ 196,955

Part II - Administrative Information

Applicant Organization: Mennonite Economic Development Associates (MEDA)

Project Leader: Jerome Quigley

Position/Title: General Director

Company Name: MEDA Trade Co. Inc.

Address: 155 Frobisher Dr., Suite I-106

City: Waterloo

Province: Ontario

Postal Code: N2V 2E1

E-Mail: jquigley@meda.org

Telephone: 519-725-1715

Fax: 519-725-9083

Proposed Start Date: 1 January 2001

Proposed End Date: 31 December 2002

Budget

	FY 1 2000 – 2001	FY 2	FY 3
Salary Costs	£ 5,932	£ 16,638	£ 10,705
Capital Costs	0	0	0
Other Charges	£ 3,820	£ 104,140	£ 53,320
VAT	0	0	0
Overheads	£ 300	£ 1,200	£ 900
Total	£ 10,052	£ 121,978	£ 64,925

Country in which the proposed project will be carried out: Nigeria

Names institutions and addresses of local collaborators.

TBA

What will other organizations contribute towards the cost of the project?

The local marketing services entity partner will provide all local logistical support including government liaison, incorporation (if required), local project management and will assist MEDA oversee the activities of the association members to ensure compliance with the goals of the project and with the budget. As part of our aim of local, ongoing sustainability, we will attempt to finance much of the local cost of the project through the revenue generating activities of the local marketing services entity that we set up in Nigeria. Operating costs will be partially covered by fees earned by the local entity

through providing services to the association members and by rebates earned on the purchase of media services by the members.

The members of the association who choose to use the project funds for assistance in advertising, marketing and increasing awareness will also invest significant funds in other areas of their business as well. In addition to the matching money spent on advertising, additional funds will be invested into marketing, management, distribution and inventory.

We estimate that approximately half of the private sector investment will be paid for advertising and media services (expended through the Marketing Services Company) while the remaining investment will be spent on staff, support, inventory and distribution. As mentioned, the members of the association have already agreed to procure media services and advertising services through the marketing services entity in order to benefit from the increased overall market development and from the lower prices afforded through bulk purchasing.

Other organizations to which this proposal is being submitted: None.

Part III – Aims, Objectives, Background, Justification and Activities.

What is the overall purpose of the project?

The overall purpose of the project is to increase awareness, usage and distribution of ITNs throughout Nigeria. Numerous studies have proven that ITNs, where used properly in communities, have significantly reduced the incidence of, and mortality caused by, Malaria.

This project builds on work done by MTC over the past two years to nurture and develop an association of businesses that are involved in the manufacture or distribution of ITNs in Africa. It is expected that, with proper assistance and directed incentives, the private sector can be encouraged to take a more aggressive role in distributing ITNs in Africa. The project will direct resources towards the private sector to support their initiatives to develop their own markets and sustainable distribution systems.

Some current initiatives attempt to increase ITN usage and distribution, but they actually allow the private sector to be passive suppliers to NGO programs and Social Marketing initiatives instead of encouraging the private sector to aggressively pursue new markets and long term distribution channels.

What is the nature of the innovation that the project will test and how will its success be measured?

This project will test an innovative method for public / private sector partnerships which will attract private sector resources to achieve social objectives. We believe that the most cost effective and best strategy to assure greater distribution and lower prices for ITNs, is one that helps businesses to promote their products and compete fairly with each other. We will use the existing association of businesses involved in ITN production and distribution in Africa as a partner group through which donor agency resources can be used to stimulate new markets and new public awareness. We will work to develop a market for ITNs, which will have significant social impact and which would otherwise not evolve as quickly, if at all.

At the conclusion of the project, the association members will have established marketing strategies and distribution networks for their nets and insecticide products. They will have increased sales of nets and insecticide within Nigeria.

MEDA represents a group of companies who are currently involved in the manufacture or distribution of nets and insecticide in Africa. At the beginning of the project we will obtain sales figures for ITN products in Nigeria from the six member companies. We will gather sales figures throughout the project to determine the effect of the project on

sales and distribution. In addition, we will monitor and track advertising messages and media usage to determine the amount of media time being devoted towards advertising and awareness of ITNs.

How will the innovation, if successful contribute to i) improving programmes or practice and ii) eliminating poverty?

Public health managers in Africa have already recognized the importance of ITNs to overall public health strategies. Unfortunately, some of the policies of well meaning NGOs and Governments have undermined the goal of achieving widespread distribution of ITNs. By subsidizing the price of ITNs, they have often discouraged the private sector from entering the market. Further, they have often been distributing subsidized products to people who can afford the full cost of ITNs. This project targets private sector distribution first, thereby allowing NGOs and government to save scarce health care resources for those populations who most need public assistance. It will provide a model which, if successful, will lead to better strategies for governments and overall savings to public health care programs.

Increased ITN usage has the potential to assist in the fight against poverty. As the leading cause of illness in Africa, malaria leads to the largest number of unproductive days. UNICEF research shows that in Africa, a worker suffering from a bout of malaria will lose 10 working days on average. A wage earner that contracts malaria will cause family income to drop significantly from lost wages as well as treatment during each bout of malaria.

What are the specific objectives of the project? How will the achievements of each of these objectives be measured?

The overall objective of the project is to mobilize and direct public and private sector resources towards ITN marketing and distribution. We will begin by establishing a marketing services entity in Nigeria, which will serve as the conduit through which private companies will advertise and raise awareness of ITNs in a competitive environment. Donor funds will match the media buying expenses of the private companies and help to ensure that this private sector demand generation is directed at areas of significant and proven social need. For instance, through cost sharing, we can encourage advertising to be directed at more remote communities, at populations at high risk of Malaria such as women and children under five years of age and we can ensure that environmental standards for insecticide distribution are met.

The specific objectives of the project are as follows:

1) To increase the sale and distribution of ITN materials in Nigeria thereby saving lives at risk from the spread of Malaria. We will measure achievement by monitoring sales levels of the partner companies.

2) To form a local Nigerian marketing services entity, with trained personnel, to provide market access services to a wide array of companies, especially those selling products with high social impact, such as ITNs or perhaps later, contraceptives. The entity will also lobby government on behalf of the association members for tax laws and regulatory environments that are conducive to increased ITN distribution. We will measure achievement by empirical evidence...was the entity created?

3) To prove that our methodology, which relies on partnerships between donors and the private sector, is able to increase demand and assure distribution of ITNs. Achievement will be measured by determining how many companies have established a local presence and a program for selling ITNs in Nigeria.

4) To further develop and strengthen the association of businesses involved in the ITN market in Nigeria by providing real programs and valuable services to them. We will measure achievement by observing the companies that are members of the association to determine if they remain active long-term members of the association in Nigeria.

What is the background to the proposed project and the justification for doing so?

The burden of Malaria in Africa is well documented. The WHO Fact Sheet No. 203 (October 1998) states "There are an estimated 300 - 500 million cases of Malaria per year. The majority of these occur in Africa, while the vast majority or the estimated 1 million annual deaths from the disease occur among children, and mainly among poor African children". We know that Malaria is responsible for more death and illness than any other tropical disease and that the problem is growing. Since the first research in Papua New Guinea 14 years ago, experience has proven that Insecticide Treated Mosquito Nets (ITNs) are one of the most effective protective measures against Malaria. These are the things we know...that the human and financial costs of Malaria are huge and growing and that ITNs can help to prevent its spread. But so far in Africa, efforts have often failed to provide a cost effective and sustainable methodology for getting ITNs into the marketplace and into the homes of those whom can most benefit from them.

WHO has placed the need for ITN materials in Africa at 30 million nets and 100 million net treatments per year by the year 2005. By 2005, WHO has challenged donors, NGOs, government and the private sector to work together to ensure the total stock of nets is increased from the present 4 million nets to 120 million nets. The market is clearly poised to take off. The challenge is to supply these needs within the fiscal constraints of

the African health sector. While the need for more ITNs is well documented¹, it would be unrealistic to assume that these materials could ever be distributed for free throughout Africa because the resources to do so are not available. Further, it would be wrong to use scarce public health care resources for nets and insecticide when many consumers would be willing and able to buy them on their own. Efficient and cost effective distribution of nets should begin with the private sector and rely on NGOs and governments to supply nets only to those that the private sector is unable to reach. The business sector must be encouraged to do what it does best - to identify markets, to advertise and increase awareness for its products and to distribute its products to consumers. Other approaches that do not encourage the private sector to take a lead in the distribution of nets will waste precious health sector resources and undermine the sustainability of the market.

MTC, with the support of the International Development Research Centre (Canada) has, for the past two years, been studying ways to assist the private sector to be a more effective partner in the production and distribution of nets in Africa. This work has given us a unique background to work with private companies in Africa to support their efforts to market and distribute ITNs. As part of this initial research, MTC has completed a comprehensive review of supply and demand for ITNs in six African countries.

MTC, in consultation with the ITN industry representatives, decided to form an association of businesses involved in the sector. Each member business paid to join the association so that they could benefit from the cooperation, sharing and programs developed by MTC who will initially serve as the association secretariat.

MTC's market research and information received from the association member companies indicates that the current potential market for ITNs in Nigeria is 15 million nets and 40 million insecticide treatments per year. The Nigerian market is not nearly close enough to meeting these market requirements and most of the distribution currently undertaken is through government ministries and NGOs, not through private sector, market distribution channels. Through this project, we will support the efforts of member companies to develop and expand the "retail sector".

Who are the intended beneficiaries and to what extent have they been consulted, and how will they be involved in project implementation? How will gender issues and (where appropriate) needs of young people be addressed? What measures will be taken to ensure that the project respects local sensitivities and cultural and legal conditions?

This project will benefit Nigerians at two levels. First at a macro level, the public health system in Nigeria will benefit by accelerating the awareness and usage of ITNs among

¹ Studies have shown a 25% decline in all-cause deaths among children under five years of age when nets are used properly.

Nigerians at risk of Malaria.

Studies have proven that increased ITN usage will result in improved productivity and decreased public expenditure on Malaria treatment. Throughout Africa, USAID estimates that the economic cost of Malaria - including lost wages and treatment - was \$US 3.5 billion dollars. In many countries, the treatment of Malaria consumes up to 40% of all public health care expenditures. This project will increase the distribution of ITNs and lead to a reduction of this public health care burden.

Second, there will be beneficiaries at the household level. All studies of ITNs would lead us to expect a lower incidence of Malaria and death through increased ITN usage as well as the economic savings from fewer malaria cases. It is estimated that as much as 20% of the disposable family income is spent on largely ineffective malaria treatment. Increased net usage will translate directly into fewer cases of Malaria and less economic cost to treat it.

Gender Issues:

Along with children, malaria is especially dangerous for pregnant women and as a result, agencies such as UNICEF have made net distribution for pregnant women a priority. UNICEF studies have shown that malaria is a leading cause of low birth rates and contributes to high rates of maternal death. Also, the health burdens of a family, especially sick children, fall disproportionately on women as care givers. Tending to malaria infected family members, means less time for women to attend to other family priorities, including income-generating activities.

This project will work with the private sector partners (the association members) to ensure that advertising messages contain information about the importance of protecting women and children from mosquitoes and malaria. As the populations at greatest risk, pregnant women and children will be the greatest beneficiaries of increased ITN usage.

We will constantly remind the association members of the importance of including women in the advertising campaigns produced for newspapers, posters, skits and radio.

MEDA Trade Co. has a board approved institutional gender policy in place which has been revised and updated in 1998. This policy commits MEDA Trade to achieving gender equity at all levels within our organization and among our partners and programs to the extent possible. At minimum, MEDA Trade will work to see that donor resources are used to encourage gender equity. We will work to see that women are properly represented in the media campaigns financed jointly between the donor and the association members. In addition, MEDA Trade will encourage the association members to include not only visual messages of women in the advertising materials, but specific attempts to direct the ITN message at women and to place the messages in places where women will see and respond.

Local sensitivities, cultural and legal considerations:

The project will work within the existing trade and business laws for the country as it works with the member businesses to develop the market for ITNs. There are no known cultural sensitivities towards the use of nets, which would require a special approach in this project. The members of the ITN association will be assisted to determine the cultural barriers to increased ITN use so that they can better design their advertising messages for best effect.

There are few, if any, environmental concerns associated with net distribution, although there are some concerns related to insecticide which are detailed later in the report.

What is the potential for wider application of the innovation (if successful) and possible future funding sources?

As one of the leading causes of death, Malaria is a health priority in almost every tropical country. We believe that a successful trial in Nigeria would serve as a model for similar public / private sector cooperative efforts in other countries as well. The six companies of the ITN Business association are a resource that could easily grow in numbers and in its ability to quickly respond to opportunities to grow markets and ensure distribution wherever resources permit.

Unlike NGO programs, which must work to develop new markets and programs in every program country, in each new country where this model is employed, the members of the ITN Business association will have established partners to varying degrees. We believe that international donors will be attracted to a successful project, which combines the principles of cost effectiveness and long term commercial sustainability for a product as important as ITNs.

In addition to replication for ITNs in other countries, this project, if successful, could become a new model for social marketing of many different kinds of products, such as contraceptives and oral re-hydration formulas.

What activities will be undertaken in order to achieve the objectives identified above?

Plan of Work:

Upon approval of the project, the project leader will travel to Nigeria to meet with the local representatives of the association member companies (if available), the ministry of health, and potential partners who will work with us to establish the local marketing services entity. At the same time, the project leader will meet with media outlets to determine appropriate costs for all of the various media options such as TV, Radio, Newspaper, Billboards, Roadshows and Posters.

We will then launch the local marketing services entity and publish a guide for the member businesses to follow in the design and preparation of their media plans. The local entity will assist the member businesses as requested and on a fee for service basis, to analyze markets, demographics, cultural biases relative to bed nets and provide assistance, as required, to help the members to develop an overall marketing approach.

A key strategy in this project is to allow the member organizations to develop markets and distribution systems in ways that they determine is best. All of the companies that are affiliated with the association have experience marketing their own products. We do not need to control their efforts as much as we need to support them. As a result, we will allow each member company to become more involved in marketing to the degree and at the pace they feel is best. The program is focussed upon raising awareness and developing a market for ITNs through additional media messages and greater market penetration. In order to monitor the type of media used and the expenses related to the purchase of the various media, we will insist that the companies use the newly created marketing services entity to place media advertisements. For each invoice received for any marketing expense, the company will pay half and the market services entity will pay half from the fund made available through this project.

It is important that the media services entity be the buyer for the media used by the association member companies for a number of reasons. First, media outlets, such as radio, TV and newspapers offer commissions to communications intermediaries and advertising agencies. These revenues are an important source of funding for the local media services company and will allow it to cover costs and serve as the representative of MTC in Nigeria. It will need these revenues to allow it to help cover costs associated with the required administrative, reporting and monitoring services it provides.

The local media services company will monitor the spending costs of the member companies to ensure they are in line with the industry standards previously researched by MTC. It will monitor the messages to ensure that they are technically accurate and represent the benefits of ITNs in a fair and direct manner. It will ensure that the media actually places the ads that the members buy and will act as the administrative representative of MTC in making the payments for media services purchased. In addition the local entity will be responsible to monitor the sales figures of the member companies so that we can determine the effect of the messages that are paid for through this project.

The information gathered locally will be sent to MTC where it will be analyzed, documented and shared in the bi-annual reports required by the donor.

The personnel responsible for the local marketing services entity have not yet been identified, but would likely be an existing advertising group or an individual with an advertising and marketing background.

The person responsible for the overall project implementation, monitoring and reporting will be the project officer of MTC identified in the title page.

Key to this initiative is the six member ITN industry association described above. All of these client organizations have credibility in the sector and most have registered as suppliers to UN organizations such as UNICEF and WHO. In addition, their international presence and marketing activities show considerable financial viability and commitment to the project. This association is important because the member companies have agreed to work through the association, where necessary, to achieve overall market impact. The member clients are clearly willing and able to invest their own resources in marketing through the MEDA marketing services entity if donor funds are also made available to share the costs of creating awareness and communicating the health message that ITNs provide protection from Malaria. These six entities are local representatives of larger companies working throughout Africa. This regional African experience indicates that the six member companies have the requisite financial resources needed to be a part of the creation of an expanded and significant market for ITNs in Nigeria.

At the conclusion of the project, the association members will work independently to continue to devise marketing strategies within Nigeria, which will generate sales for their own products. This means that after the initial assistance, the private companies themselves will continue to supply ITN materials.

Timeline

The specific activities of the workplan follow:

1) Month 1 - 4.

Undertake planning trip to Nigeria. Meet with company representatives. Communicate program goals and guidelines to association members. Research the local advertising and media sector in Nigeria. Select a local partner.

2) Month 4 to 8.

Set up local marketing services company with investment from MEDA Trade and, if necessary, the local partners.

Further develop and communicate criteria for providing matching funds to association members.

In cooperation with participating companies, compile baseline data on sales of nets and insecticide.

Assist member firms to select local distribution agents and plan marketing strategies for Uganda.

Assist member firms or their agents to access funding from other donor sources for related professional services for marketing creative services, design etc.

3) Month 8 to 24

Assist member companies with ongoing marketing programs and with distribution issues.

Lobby government on behalf of association members for tariff and value added tax exemption.

Disburse matching funds according to funding criteria.

Monitor advertising and promotion to ensure compliance with funding criteria.

Part IV – Summary of project logic and expected impact

How will participation in the project, strengthen the capacity of collaborating institutions and participating communities?

While there are no “participating communities” per se, the collaborating institutions, those companies that participate in the program, will be assisted to develop ongoing markets and distribution systems. They will develop systems that will strengthen their capacity to respond to the ITN market long after the program ends. In ways already described this ongoing capacity will benefit governments and individuals through less malaria transmission and infection.

It is hard to imagine any group being disadvantaged by the program, with the possible exception of cottage industries that may currently be producing nets. It is possible that the products of these groups, may be displaced by the products of the member companies.

There is a detailed discussion of the environmental affects of ITNs in the publication entitled ITN Projects: Handbook for Managers. (Desmond Chavasse, Catherine Reed, Kathy Attawell; Malaria Consortium, London, 1999). The key environmental concerns surrounding ITNs relate to the effect of the insecticide on humans and on the environment.

The only group of insecticides recommended for the treatment of mosquito nets is the synthetic pyrethroids. Over the years, synthetic pyrethroids have been used extensively in the treatment of nets and have been generally approved for net usage by the World Health Organization Pesticide Evaluation Scheme (WHOPES). Synthetic pyrethroids work by mimicking the insecticidal activity of natural pyrethrum which is derived from flowers belonging to the chrysanthemum family. This project will support the efforts of several agro-chemical businesses to develop markets for WHO approved products in single use dosages. Many projects in the past have experimented with group or communal "net dipping" schemes, but results have been disappointing. Most managers

involved in net programming and researchers have recommended single dose insecticide treatments which last from 4 months to one year. Significant research is currently being done on insecticides, which would last, for the entire life of the net.

Most of the adverse effects of insecticide on humans is reported not among those using insecticide treated nets but among those who are working for communal net dipping programs. These workers are exposed to much higher levels of insecticide for much longer periods of time. Among net users, the most commonly reported side effects include nasal irritation and sneezing during the first few days after treatment.

Adverse effects of pyrethroids on non-targeted organisms and the physical environment include toxicity to fish and other fresh water animal life. But unlike DDT, pyrethroids do not persist in the environment for long periods of time. Although they last for months on synthetic fabrics, in soil, pyrethroids break down to form much less harmful toxic products.

This project includes participation by several insecticide manufacturers. All are large, well respected organizations with many years experience in formulating, distributing and training users of their insecticide products. This project will ensure that any funds from CIDA sources will not be used for assistance to distributors of insecticide products that are not approved by WHO and that do not have acceptable, clear instructions on the proper use of, protection from and disposal of their insecticide products.

MTC as the applying organization would intend to follow-up a successful project with similar programmes in other countries.

BUDGET

Appendix 1

	FY 1 Jan 01 - March 01	FY 2 April 01 - March 02	FY 3 April 02 - Dec. 02
1.0 Capital Equipment	£0.00	£0.00	£0.00
Sub Total (section 1):	£0.00	£0.00	£0.00
2.0 Personal emoluments			
Name and Position:			
Jerome Quigley (project Director)	£4,432.00	£10,638.00	£6,205.00
tba (local manager)	£1,500.00	£6,000.00	£4,500.00
Sub Total (section 2)	£5,932.00	£16,638.00	£10,705.00
3.0 Other Charges			
Travel: Airfare	£1,000.00	£2,000.00	£1,000.00
Travel: Per diem	£2,070.00	£4,140.00	£2,070.00
Local Office Costs (250 / month)	£750.00	£3,000.00	£2,250.00
Marketing Payments	£0.00	£95,000.00	£48,000.00
Sub Total (section 3)	£3,820.00	£104,140.00	£53,320.00
4.0 Overheads	£300.00	£1,200.00	£900.00
Sub Total (section 4)	£300.00	£1,200.00	£900.00
5.0 GRAND TOTAL	£10,052.00	£121,978.00	£64,925.00

Notes to the Budget:

Section 1)

- No capital equipment is required for this project.

Section 2)

- Project director daily rate of £ 177.30 per day is based on salary and benefits of £ 39, 893 per annum and 225 working days per year. Estimated total of 25 days in year1, 60 days in year 2 and 35 days in year 3.
- Local manager daily rate estimated at £ 100 per day. Estimated total of 15 days in year one 60 days in year two and 45 days in year three.

Section 3)

- Travel is estimated at one trip in year one, two trips in year two and one trip in year three. The trips are estimated at 15 days each.
- Marketing payments are costs shared with the association member businesses to assist them advertize, build awareness and develop markets for ITNs.

LOGICAL FRAMEWORK

Appendix 2

Narrative Summary	Measured Indicators	Means of Verification	Important Assumptions
<u>Goal:</u> To increase sales and achieve wider distribution of insecticide treated mosquito nets (ITNs) in Nigeria.	1. Increased use of ITNs among Nigerian households.	1. Surveys at selected retail outlets.	Increase of advertizing and marketing will lead to increased sales.
<u>Purpose:</u> To achieve more widespread commercial distribution of ITNs in order to achieve lower rates of malaria transmission.	1. Company sales figures show annual increase. 2. Measurable increase in publicity and advertizing of ITNs. 3. Wider distribution network is realized. 4. Publication / dissemination of project experience and results.	1.1 Reports from participating companies 2.1 Reports and samples from market services entity. 3.1 Reports from participating companies 4.1 Publications and / or conference presentations.	Companies offer accurate information Member companies offer accurate information about sales network. Gov't and donors have funds and are interested in applying results.
<u>Outputs:</u> 1) Sales of member company products are increased. 2) Local Marketing Services Entity is formed. Funds are disbursed. 3) Increase in the number of companies selling ITN products in Nigeria. 4) The association of businesses involved in ITN marketing in Africa is strengthened and further developed.	1.1 3 net manufactures and insecticide manufactures have at least one branded product each on the market. 1.2 sales for ITN products are increased 2.1 Public awareness of the benefits of ITNs is increased.	1.1 Branded products available. 1.2 Company reports 2.1 Point of sale interviews	Public chooses nets as effective strategy to control mosquitos Public understands the relationship between vector control and reduced illness Product is not too expensive for most families.
<u>Activities:</u> 1.1 Undertake planning trip to Nigeria. Meet with company representatives. 1.2 Assist member companies with ongoing marketing programs and with distribution issues. 2.1 Set up local marketing services entity. 2.2 Disburse matching funds according to funding criteria. 3.1 Communicate co-funding rules to association members. Compile baseline data from company records. 3.2 Assist member firms to select local distribution agents and plan marketing strategies for Uganda. 4.1 Assist member firms or their agents to access funding from other donor sources for related professional services for marketing creative services, design etc. 4.2 Lobby government on behalf of association members for positive legislation.	<u>Budget:</u> Salaries £ 33,275 Travel 12,280 Local Costs 6,000 Marketing Cost Share 143,000 Overheads 2,400 Total: £ 196,955	Twice yearly project reports to DFID.	Local marketing entity earns local revenue to work towards long term sustainability. Member companies pay half the marketing cost for promoting own brands.

Attachment D
MEDA TRADE COMPANY
IDRC FUNDED PROJECT
BUSINESS DEVELOPMENT FOR ITNs IN AFRICA
May 31, 2000

	ACTUAL	BUDGET	Variance
Personnel Resources:			
Path Assistance	\$0.00	\$3,000.00	
Team Leader - Salary	\$78,300.00	\$68,250.00	
Marketing Associate - research expense	20,677.50	\$22,000.00	
Research Assistance - research expense	22,155.17	\$19,600.00	
	<u>\$121,132.67</u>	<u>\$112,850.00</u>	<u>7.34%</u>
Travel:			
Airfare	\$20,022.85	\$23,400.00	
Per Diem	\$21,831.73	\$26,000.00	
Visa/Miscellaneous	\$2,339.41	\$1,800.00	
Canadian Travel	\$671.88	\$2,000.00	
	<u>\$44,865.87</u>	<u>\$53,200.00</u>	<u>-15.67%</u>
Overhead (5% of personnel and travel)	\$8,299.93	\$8,153.00	
Path Overhead	\$0.00	\$150.00	
	<u>\$8,299.93</u>	<u>\$8,303.00</u>	<u>-0.04%</u>
	<u><u>\$174,298.47</u></u>	<u><u>\$174,353.00</u></u>	

Authorizations

Date


 Gerald Morrison, Financial Controller

June 8, 00


 Jerome Quigley, Project Manager

June 8, 2000