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USAID / NetMark FY 2006 Work Plan- Uganda

Population:	27,269,482 (World Fact Book, 2005)
Number Households 2005:	5,374,586 (NetMark Household Survey)
Purchasing Parity:	\$1,500 (2004 est; World Factbook, 2005)
Literacy Rate:	69.9% (<i>male: 79.5%; female: 60.4%</i>) (2003 est.)
Urban/rural Population:	12.2%/87.8% (2002 est; UNDP HDR 2003)
Net Coverage 2004:	24%
ITN Coverage 2004:	XXX% Total Households with an ITN 23.5% Rural (HSSP1) 48.8% Urban (HSSP1)
Estimated Total nets in Country:	3,165,342
Active Formal Partners:	4
Active Informal Partners:	5
NetMark Launch:	September 28, 2003

1. Malaria Situation

In most parts of Uganda temperature and rainfall are sufficient to allow a stable, perennial malaria transmission at high levels with relatively little seasonal variability. Only in high altitude areas in the Southwest and East is malaria transmission generally low, with more pronounced seasonality and the occurrence of epidemics (e.g., 1992, 1994, 1997/1998 and 2000/2001).

Based on this epidemiology, malaria significantly contributes to the burden of disease as well as economic losses. According to the 2001 "Roll Back Malaria" (RBM) baseline assessment in four districts, between 39% and 44% of recorded outpatient visits were due to malaria. A considerable number of studies have consistently shown that the great majority of malaria episodes (50-80%) are handled in the private sector either through self-medication or consultation of drug shops and other private sector facilities. However, management of malaria fevers is poor. Only 28% of those patients seen at a health facility were managed correctly and only 7% of caretakers of children under 5 years sought treatment within 24 hours (RBM Baseline study). The direct and indirect costs (loss of production, absenteeism, etc.) of malaria are high and it has been estimated by WHO that poor households spend up to 25% of their monthly income on malaria.

Since the foundation of the Malaria Control Unit at the Ministry of Health in 1995, the National Malaria Program has made considerable progress in establishing a Malaria Control Policy (1998), the Health Sector Strategic Plan (HSSP) and the Poverty Reduction Strategy Plan (PRSP). These efforts were supported by the creation of the “Roll Back Malaria” partnership in the country in 2000. The current challenge to malaria control efforts in Uganda is to translate existing control strategies into well coordinated implementation plans and bringing these to scale at national level.

The Uganda Malaria Control Strategic Plan 2001/2-2004/5 states four main elements of the strategy for malaria control:

- Case Management
- Vector Control
- Intermittent presumptive treatment in pregnancy
- Epidemic preparedness and control

Under Vector Control, three elements are envisaged. These are;

- Insecticide treated nets (ITNs)
- Indoor residual spraying
- Environmental management and larval control

The use of ITNs is relatively new in Uganda, having been introduced in the early 1990s. In 1998 the Ministry of Health included ITNs in the National Malaria Policy as one of the key strategies for malaria prevention. In 1999 import tariffs as well as Value Added Tax (VAT) were waived for mosquito nets and netting material, and in 2002, the Uganda Bureau Of Standards adopted the WHO recommended quality standards for mosquito nets.

According to the HSSP1 Malaria Indicators:-

- Use of mosquito nets in rural areas rose from 9.2% in 2000/1 to 23.5% in 2004/5.
- Use of mosquito nets in urban areas rose from 32.9% in 2000/1 to 48.8% in 2004/5.
- Use of ITNs by under 5’s rose from 7.3% in 2000/1 to 15% in 2004/5. The target under HSSP2 is to increase the proportion of households having at least one ITN from 15% to 70% by 2010.

During 2005, the Government of Uganda, supported by the Global Fund, floated tenders to procure 1,800,000 bundled nets and 87,000 LLNs. These will be distributed free of charge to vulnerable groups, e.g., the inhabitants of Internally Displaced People’s (IDP) camps in Northern Uganda.

2. Overview of the NetMark Project in the Country

a) Distributors

NetMark was launched in Uganda in September 2003. Currently, NetMark is working with four (4) distributors. These are:

- Quality Chemicals Limited (QCL) representing Siamdutch Mosquito Netting Co. Ltd. and Bayer CropScience Ag.
- Nettshoppe Limited representing Vestergaard-Frandsen Group.
- Safinet sourcing from Sunflag (Tz) Ltd.
- Cooper Uganda Limited sourcing from Sunflag (Tz) Ltd. and Syngenta Ltd.

QCL is the largest distributor of the four, and has been actively involved in the marketing and distribution of ITNs in Uganda since 2001. QCL's bundled ITN, K-O Net, has high brand awareness, and so does the treatment pack, K-O Tab. NetMark has supported QCL in recruiting and training sales & marketing personnel and acquiring two (2) distribution vans and seven motorcycles. QCL projected to sell 250,000 ITNs in 2005.

Nettshoppe Limited is the only distributor of an LLIN in Uganda. PermaNet® is a convenient, treated ITN and does not require re-treatment for 20 washes. It is the most expensive ITN on the market. Nettshoppe is a progressive distributor and places a lot of emphasis on brand building mainly through television and radio. An upcountry distribution drive is also underway. NetMark has come in to support Nettshoppe in the same way as QCL.

Safinet, bundled with Fendona, is targeted at the middle income segment. Safinet is positioned on the economy platform and has achieved relatively deep penetration in the retail trade. NetMark continues to support Safinet in the areas of seed stock acquisition, promotion and distribution.

Cooper Uganda Ltd. is the newest distributor on board. They deal in a bundled ITN branded CooperNet. The nets are bundled with IcoNet treatment kits. Cooper have a country-wide distribution network of over 200 outlets, thanks to their veterinary drugs business. CooperNet is regularly advertised in the electronic media.

Twiga Chemicals was dropped as a distributor in 2005. Twiga deals in IcoNet nets, bundled with Icon, and sources from Syngenta.

Significant year-on-year growth in sales has been registered by all the distributors.

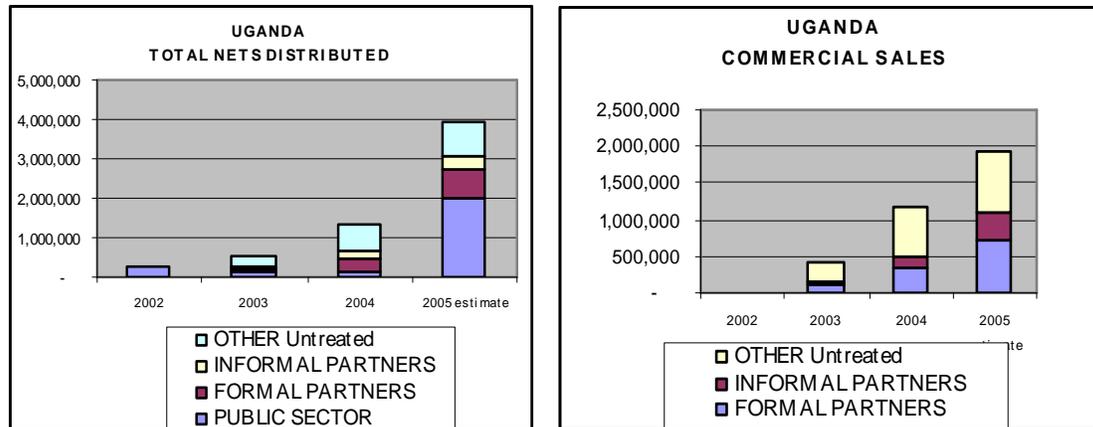
b) NetMark Generic Media Campaigns

NetMark in 2004 and 2005 ran above-the-line campaigns on radio and TV. These were supported by below-the-line activities, including Ladies Clinics, Ladies Clubs, in-store promotions and road shows. These campaigns have boosted demand for ITNs. They have also created awareness of the ITNs with the NetMark seal of quality.

The communication partners in Uganda are Limelight FCB and EXP Momentum for above-the-line and below-the-line communication respectively.

Market communication to date has been skewed towards theme support (above-the-line). This has enabled the partners' brands to achieve very high levels of awareness. The communication focus and message for FY 06 will be directly to the consumer and channelled through the retail trade via in-store product and consumer demonstrations, implemented by EXP.Momentum.

Full Market Impact



Uganda has a thriving commercial ITN market and continues to grow at about 20% volume per annum.

Cheap untreated Chinese nets have found their way into the market and have capitalized on the current high demand.

Our formal partner sales have generally increased well above last years sales and some of the partners have performed very well in a very competitive environment. The MOH free net distribution plans may or may not affect the commercial market. NetMarks view is that the free nets will stimulate demand and interest and everyone will benefit.

For 2006, NetMark expect their formal partners to sell 550 000 nets. Informal partners including Chinese nets are expected to sell about 2, 5 million nets. Therefore, total nets sales estimate for 2006 through the commercial sector is about 3 million.

FY 2006 WORK PLAN

Challenges

- Free nets distribution in Uganda will have some sort of impact on our commercial partners and the ITN market. The challenge for NetMark is to

work closely with MOH and insure that the nets are targeted and leakage is minimal

- The “onslaught” of cheap Chinese is a blessing and a curse and we need to manage our messages to consumers in regards to these nets. We do not want to see the entire ITN market “debased” and possibly undermined.
- Some of our commercial partners still experience cash flow issues and this constraints the sales and distribution efforts.
- Our commercial partners still need to get to the more rural areas of Uganda, and not just focus on the big easy urban areas.
- Our commercial partners still view the cheap Chinese nets as their main competitive threat, and want NetMark to assist them to fight the cheap nets. Obviously, NetMark cannot do this.
- We need to find ways to treat the huge amount of untreated nets in Uganda. This is major challenge as a lot of these nets are made from Nylon, which cannot be treated.
- We need to find one major FMCG brand and distributor.

Opportunities

- We need to find a way of either bundling or treating the huge amount of untreated nets
- Work closely with the government and MOH in the distribution of free nets and help ensure that free nets go to the targeted people and that there is minimum leakage into the commercial sector.
- Use the free net activity as a marketing priming exercise to stimulate demand and ensure that the partners have product in the right outlets to take advantage of this.
- Encourage our partners to expand their distribution and get nets into more rural areas.
- Uganda is an ITN success story where demand still outstrips supply. Partners still continue to experience stock outs and are not taking full advantage of the situation
- We need to convince and educate consumers, through our mass media campaigns , that sleeping under an insecticide treated net is the best protection they can get, and that they must either treat their currently untreated net or buy an ITN with the NetMark logo.

NetMark Strategic Objectives for FY06

SO FY O6	Activity	Deadline	Person Responsible
Ensure that the large amounts of non-treated nets are “replaced” with treated nets.	Our communication plan via radio, primarily address this, by urging consumers to ensure that their net is treated as this offers “double” the protection of an untreated net and they last	Ongoing	NetMark and FCB

	longer. Our ads are currently being flighted and will remain on air until Sept 06		
We should test bundling and re treatment tactics.	We will approach the traders this year and see if we can bundle the untreated net at the source	December 2005	NetMark
We must participate in Government led re treatment campaigns	NetMark will participate in suitable MOH re-treatment campaigns, with either materials or treatment kits. Our commercial partners will be encouraged to have their nets ready for sale at these treatment centres	Ongoing	NetMark
Continue supporting micro credit efforts such as FINCA and document ours and our partners success	FINCA has proved to be a major success, in terms of getting ITNs to consumers in a very affordable manor. Basically, FINCA is a micro credit company that offers its “customers” products at very favourable repayment terms. NetMark needs to continue supporting this program, and assist other micro credit companies in Uganda, to have ITNs as a product option to their customer base	Ongoing	NetMark
Monitor the GFTAM “tender” and subsequent free net distribution.	Through all its partners, NetMark will monitor the free net tender and follow the developments closely. NetMark will continue to encourage MOH to include the private sector in the distribution effort	Ongoing	NetMark and partners
SO FY 06	Activity	Deadline	Person Responsible
Seek additional funding from the mission via the Presidents Malaria Initiative (PMI) program and implement a targeted subsidy program in Uganda	NetMark has indicated to the mission that they would want to implement a TS program in Uganda. It has been very successful in Zambia and Ghana.	End November 05	NetMark
Frequent information dissemination, from NetMark to all partners	NetMark will be disseminating information on a more frequent basis to all partners, covering all topics of interest, NetMark and partner activities and successes , research results etc.	Oct 05 to April 06	NetMark regional and country office.
Technology Transfer This is the “future” and the basis for real sustainability.	<ol style="list-style-type: none"> 1. Identify candidates for receiving countries and organizations 2. Establish budgets 3. Determine funding sources 	End Nov 05	NetMark Washington and regional office
Improved distribution to achieve sales objectives	<ol style="list-style-type: none"> 1. Eliminate exclusivities where possible 2. Promote and support “distribution explosion” 	Sept 06	NetMark Countries
Partners must have adequate stock at all times	<ol style="list-style-type: none"> 1. Create East Africa regional warehouse 2. Use funding to increase stock levels with distributors 	Sept 06	NetMark regional office

Achieve sales objectives	1. Establish performance based sales “incentives” with global partners 2. Expand use of stock matching funding	Nov 05	NetMark regional office
Improved TS programs	1. Improve commercial retail in targeted subsidies areas	Sept 06	NetMark
Improved Demand Creation	1. Focus demand creation effort to address country specific issues (e.g. prices in Ghana, Treated nets in Uganda, Outlet promotion) 2. Assure brand specific demand creation activities by partners		

PARTNER ITNs SALES OBJECTIVES FOR FY 06

	2005 ITNs Sales Jan to August 05	2006 ITNs Projections- Oct 05 to Sept 06	2005 Treatment Kits Sales	2006 Treatment Kits Projections
Formal Partners	355,529	650,000		
Informal Partners	1,600,000	2,500,000		
Total All	1,955,529	3,150,000		

1. 2006 KEY STRATEGIES

SO 8

Rationale:

In line with the USAI/Uganda’s SO8 of “Improved Human Capacity”, NetMark will contribute to improving individuals’ capacity to protect themselves and their families from malaria. This will be through NetMark’s efforts to create a sustainable thriving ITN commercial sector in Uganda.

SO 8, Objectives and I.R.

I.R. 8.1 Effective Use of Social Sector Services

Objectives:

- Improved Quality
- Increased Availability and Access
- Positive Behaviour Changes Adopted

NetMark Strategic Interventions

FMI Drivers	Activities	Timing	Responsible
Supply	- Support commercial partners in acquisition of stock using new marketing support mechanism.	Throughout 2006	NetMark Uganda and Regional Team
Demand	- Run media campaigns to create demand and induce off-take of ITNs. - Carry out consumer education through experiential marketing. - Focus on educating consumers that ITNs are the most effective and cost effective way of preventing malaria	Ongoing, to run throughout 2006	NetMark Uganda
Distribution	- Carry out trade marketing interventions to widen the penetration of ITNs in the market, and to increase the shelf presence.	March & July 2006	NetMark Uganda
Improved Technologies	- Support initiatives to increase supply of LLINs in the market.	Ongoing	Regional Team
Equity	- Continue supporting micro credit efforts, e.g., FINCA & QCL.	Ongoing	NetMark Uganda
Sustainability	- Continue to nurture the commercial partners through market development and effective stock management.	Ongoing	NetMark Uganda

I.R. 8.2 Capacity to sustain Social Sector Services

Objectives:

- Improved Decentralized Planning, Management & Monitoring
- Increased Private Sector Role in Service Delivery

NetMark Strategic Interventions

FMI Drivers	Activities	Timing	Responsible
Demand	- Run media campaigns to create	Ongoing, to	NetMark

	demand and induce off-take of the commercial partners' ITN brands.	run throughout 2006	Uganda
Sustainability	- Continue to nurture the commercial partners through market development and effective stock management.	Ongoing	NetMark Uganda

1.R. 8.3 Enabling Environment for Social Sector Services

Objectives:

- Increased Community Participation and Advocacy
- Effective Sectoral Policies Implemented

NetMark Strategic Interventions

FMI Drivers	Activities	Timing	Responsible
Demand	- Implement experiential marketing, including community involving activities such as Ladies' Clubs, Clinics, PMUs and roadshows.	Ongoing	NetMark Uganda

WORKPLAN TIMELINE -FY 06

NetMark Plus 2006 Implementation Plan: Uganda FY 2006												
Activity	O	N	D	J	F	M	A	M	J	J	A	S
1. Expanding Commercial Market												
a) Joint planning with partners for expansion	N	N	N	N	N	N	N	N	N	N	N	N
b) Expansion of sales of ITNs by partners	N	N	N	N	N	N	N	N	N	N	N	N
c) Tracking partner sales/distribution outlets	N	N	N	N	N	N	N	N	N	N	N	N
d) NetMark planning and monitoring visits	N	N	N	N	N	N	N	N	N	N	N	N
e) Partner investment through marketing support funds	N	N	N	N	N	N	N	N	N	N	N	N
g) Hiring and training of additional merchandisers	N	N	N	N	N	N	N	N	N	N	N	N
h) Development of generic and brand	N	N	N	N	N	N	N	N	N	N	N	N

promotional activities												
i) Monthly review meetings/sales reporting	N	N	N	N	N	N	N	N	N	N	N	N
j) Multi-channel ITN demand creation campaign	N	N	N	N	N	N	N	N	N	N	N	N
k) Launch of brand advertising by partners	N	N	N	N	N	N	N	N	N	N	N	N
l) Quarterly progress review	N			N			N			N		
2. Monitoring and Evaluation												
a) Review of pricing strategy with partners	N	N	N	N	N	N	N	N	N	N	N	N
b) Periodic checking of prices in the market	N	N	N	N	N	N	N	N	N	N	N	N
c) ITN sales reports	N	N	N	N	N	N	N	N	N	N	N	N
d) Quarterly research with ITN users and non-users	N			N			N			N		
f) Review of impact of promotion and sales efforts	N	N	N	N	N	N	N	N	N	N	N	N
g) Retail Audit												
3. Reporting												
a) Monthly reporting	N	N	N	N	N	N	N	N	N	N	N	N
b) Quarterly cost share reporting	N			N			N			N		