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U N C L A S S I F I E D

AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D. C. 20523

PROJECT PAPER

PAKISTAN: Social Marketing of contraceptives  
Amendment (391-0484) AMENDMENT

September 18, 1989

U N C L A S S I F I E D

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT  
DEPARTMENT OF STATE  
WASHINGTON, D.C. 20523

PROJECT PAPER AMENDMENT  
PAKISTAN - SOCIAL MARKETING OF CONTRACEPTIVES  
391-0484

SEPTEMBER 1989

UNCLASSIFIED

**PROJECT DATA SHEET**

1. TRANSACTION CODE

A = Add  
 C = Change  
 D = Delete

Amendment Number  
1

001

2. COUNTRY/ENTITY  
Pakistan

3. PROJECT NUMBER

391-0484

4. BUREAU/OFFICE  
Asia and Near East

5. PROJECT TITLE (maximum 60 characters)

Social Marketing of Contraceptives

6. PROJECT ASSISTANCE COMPLETION DATE (PAED)

MM DD YY  
09 30 93

7. ESTIMATED DATE OF OBLIGATION  
(Under "B." below, enter 1, 2, 3, or 4)

A. Initial FY 84

B. Quarter

C. Final FY 93

8. COSTS (\$000 OR EQUIVALENT \$1 = Rs. 20.00)

A. FUNDING SOURCE	FIRST FY 84			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	3,735	1,765	5,500	30,015	14,985	45,000
(Grant)	( 3,735 )	( 1,765 )	( 5,500 )	( 30,015 )	( 14,985 )	( 45,000 )
(Loan)	( )	( )	( )	( )	( )	( )
Other						
U.S.						
Host Country					13,700	13,700
Other Donor(s)						
<b>TOTALS</b>	<b>3,735</b>	<b>1,765</b>	<b>5,500</b>	<b>30,015</b>	<b>28,685</b>	<b>58,700</b>

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) ESF	401	400		6,700	-	5,000	-	11,700	-
(2) DA				13,300	-	20,000	-	33,300	-
(3)									
(4)									
<b>TOTALS</b>				<b>20,000</b>	<b>-</b>	<b>25,000</b>	<b>-</b>	<b>45,000</b>	<b>-</b>

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

460 968

11. SECONDARY PURPOSE CODE  
489

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code

B. Amount

13. PROJECT PURPOSE (maximum 680 characters)

To increase the use of contraceptives by promoting family planning and expanding the availability of contraceptives through the private sector.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY  
07 90 07 91 12 92

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000  941  Local  Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a \_\_\_\_\_ page PP Amendment)

To increase LOP funding from \$20 million to \$45 million in order to continue ongoing activities for the extended life-of-project.

OFM - Linda Martin *L. Martin*

17. APPROVED BY

Signature

James A. Norris

Title

Director, USAID/Pakistan

Date Signed

MM DD YY  
12 15 92

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

PROJECT AUTHORIZATION AMENDMENT NO. 2

Name of Country : Pakistan  
 Name of Project : Social Marketing of Contraceptives  
 Number of Project : 391-0484

1. The Social Marketing of Contraceptives (SMC) Project for Pakistan was authorized by the Mission Director, USAID/Pakistan, on March 28, 1984 with a life of project funding level of not to exceed Twenty Million United States Dollars (\$20,000,000) over a five (5) year period from the date of authorization. The Project Authorization was amended on April 9, 1987 to allow for Development Assistance (DA) funding.
2. Pursuant to Sections 531 and 104 of the Foreign Assistance Act, as amended, the Project Authorization is hereby amended as follows:  
  
I hereby authorize additional planned obligations of not to exceed Twenty-Five Million United States Dollars (\$25,000,000) in ESF and DA grant funds, over a four (4) year period, subject to the availability of funds in accordance with the A.I.D. OYB allotment process, to assist in financing foreign exchange costs and local currency costs for this Project. The total planned obligations for this Project shall not exceed Forty-Five Million United States Dollars (\$45,000,000) in grant funds.
3. I further authorize extension of the Project Assistance Completion Date (PACD) by an additional period of four (4) years, i.e. from September 30, 1989 to September 30, 1993.
4. All other provisions of the original Project Authorization and its subsequent Amendment shall remain in full force and effect except as hereby amended.

Approved     Disapproved

James A. Norris  
 Mission Director  
 USAID/Pakistan

July 15 1989  
 Date

Clearances:

RLA: BQadir: \_\_\_\_\_  
 HPN: BSpaid: \_\_\_\_\_  
 PDM: MFuchs-Carsch/SKhan/MAshraf: MFC  
 PRO: FW Tate: \_\_\_\_\_  
 FM/DD(A): ADPraff: \_\_\_\_\_

RLA:KFMKassim: mh: 6/26/89  
 2645R

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List of Abbreviations and Acronyms

AID/W	Agency for International Development, Washington
CYP	Couple Years of Protection
FAA	Foreign Assistance Act
GOP	Government of Pakistan
IEE	Initial Environmental Examination
IUD	Intra-utrine Device
NDFC	National Development Finance Corporation
NGO	Non-governmental Organization
POS	Point of Sale
PSIMA	Population Services International Marketing Associates
PWD	Population Welfare Division
RHD	Right Hand Drive
SMC	Social Marketing of Contraceptives
TA	Technical Assistance
USAID	U.S. Agency for International Development

I. SUMMARY AND RECOMMENDATIONS

A. Summary

This Amendment covers a four year extension of the Social Marketing of Contraceptives (SMC) Project. A \$25 million increase in funds will provide continued and wider distribution of the Sathi\* brand condom and the introduction of the Social Marketing of low dose oral contraceptives.

The SMC project was originally authorized and the Project Agreement signed in March of 1984. Life of project funding for the period 1984-1989 was \$20 million in grant funds, with a project assistance completion date (PACD) of September 30, 1989. Project implementation was delayed by one year as a result of protracted GOP approval of the PC 1. The contract with the private sector implementing agency, W. Woodward Pakistan (Private) Ltd., was signed in December 1985 and implementation commenced shortly thereafter.

The purpose of the project is to increase contraceptive usage by promoting family planning and expanding the availability of contraceptives through the private sector. The target audience for the project is lower and middle income urban and semi-urban families. Project objectives include: (1) an effective distribution system established to move contraceptives from the port of entry into suitable packages and then through wholesale and retail outlets to consumers; (2) promotion activities; (3) establishment of over 70,000 retail outlets in approximately 300 urban and semi-urban areas; (4) distribution of approximately 260 million condoms and 1.8 million cycles of orals; and (5) provision of an estimated four million couple-years of protection and 452,000 births averted.

Marketing plans are designed to increase the current availability of condoms at convenient locations and affordable prices; to offer a reasonable return to trade so as to ensure active support for the product; and to sustain current display levels of the product and point of sale (POS) material at participating retail outlets. These marketing plans have served as a general guide for project activities to date. Project amendments covering the first four years of project activities are discussed in Section II of this Amendment.

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\*"Sathi" is an Urdu word meaning "Companion"

Over the next four years the project will expand upon its successful beginning. Following the recommendations of the 1988 interim evaluation, activities will be implemented under six main components: (1) marketing and distribution of condoms, (2) oral contraceptives and possibly other contraceptives, (3) research, (4) technical assistance (5) training, and (6) evaluation. The implementation of project activities will be through the firm or firms contracted to market the condoms and oral contraceptives, a monitoring contractor, the USAID technical assistance contractor, and other contractors hired for research, evaluation and other assignments.

Table 1 shows the budget summaries for the first four years and the Amendment period:

Table 1

SMC Original Project Authorization, Obligation and Amendment Budget Summaries  
(\$000)

<u>Expense Category</u>	<u>Original Project</u> <u>Phase I</u>	<u>Phase I</u> <u>Obligation</u>	<u>Amendment Budget</u> <u>Phase II</u>	<u>Total LOP</u> <u>Phase I &amp; II</u>
Tech. Assistance	1,075	2,000	0	2,000
Training	40	50	70	120
Commodities	12,710	10,675	14,150	24,825
Other Costs	5,530	7,275	5,330	12,605
Evaluation	190	0	150	150
Contingency	455	0	5,300 a/	5,300
Total	<u>20,000</u>	<u>20,000</u>	<u>25,000</u>	<u>45,000</u>

The goals and purpose of the project remain unchanged. The anticipated Amendment outputs are summarized in Section III. The administrative, social and economic analyses presented in the Project Paper still apply. The Initial Environmental Examination for the amendment was approved June 20, 1989 (Annex E). Revised technical and financial analyses are presented in Section V. There are no additional conditions precedent or covenants to this Amendment.

B. Recommendations

USAID/Pakistan recommends that the Social Marketing of Contraceptives project be amended through the authorization of an additional grant of \$25 million for a project total of \$45 million. The Project Assistance Completion Date should be extended to September 30, 1993.

C. Issues

Amendment issues, especially on the introduction of oral contraceptives, are discussed in the Technical Analysis, Section V.A.

a/ \$885,000 for technical assistance is included in contingency as the ceiling for technical assistance under PC-1 has been reached.

## II. BACKGROUND

### A. History of the Project

During the first year of project, preparations were made for launching the SMC project condom, called Sathi, on the national market. A series of research activities was undertaken and the first marketing plan developed and approved. A test market also was initiated in the districts of Tharparkar in Sind and Sargodha in Punjab.

Implementation activities focused on the successful product launch, which took place for over four months and included 150 trade seminars and vigorous advertising efforts through cinemas, point of sale materials and display contests. Because of unexpected GOP restrictions on radio and TV advertising, some of these tactics received greater emphasis than originally anticipated. By the end of 1987, sales had exceeded project targets with annual sales reaching 30 million condoms compared with a goal of 27 million.

An interim project evaluation was conducted in October/November 1988. It concluded that SMC is making excellent progress toward achieving its objectives as documented by its sales. The organizational structure of the project is well suited to sustain project activities. The packaging of the project condom is of high quality and the present distribution network is an excellent base from which to achieve the next stages of expansion. Sales results to date suggest that the media strategies are appropriate. However, the evaluation pointed out that project-sponsored research has focused on distribution issues rather than on consumer identification and attitudes. Information is not yet available, therefore, on the extent to which the project is reaching its target audience, or on the impact of project advertising on consumers' attitudes and use of Sathi. The evaluation also noted that although some degree of sustainability is one of the long-term objectives of the project, product price was purposely set very low to aid in increasing sales, particularly among low-income people. Finally, the evaluation suggested that because oral contraceptives use in Pakistan is currently low, proper training for the medical profession coupled with a well-implemented advertising campaign, could lead to significantly increased understanding and adoption of orals.

Given the progress of SMC to date and the potential for future success, USAID is proposing the following four year project amendment with an increase of \$25 million in funds. The major emphasis of the amendment will be placed on continued increase in sale of Sathi brand condoms and introduction of social marketing of low dose oral contraceptives.

## B. Rationale

### 1. Demographic Characteristics

Pakistan's population has grown from approximately 17 million in 1901 to over 100 million today. This is an increase of over six times the population at the turn of the century. If the population continues to grow at the present rate, it will reach over 150 million by year 2001. The overall population growth rate of at least 3.1% is not only among the highest in Asia but exceeds that of other Muslim countries such as Indonesia (2.3%), Bangladesh (2.4%) and Egypt (2.5%). Fertility rates are extraordinarily high; on average a Pakistani woman presently gives birth to 6 or 7 children. Pakistan is also becoming an increasingly young and urban nation. Some 65 percent of all Pakistanis are under 26 years old and 36 percent are less than ten years old. Urban population growth rates have been even more dramatic, averaging 4.4 percent annually between 1971 and 1981.

Rapid growth in population affects Pakistan's ability to sustain high rates of economic growth and meet the welfare needs of its people. The growth in new entrants to the labor force will continue to be high for at least the next two decades, even if dramatically lower population growth rates are somehow achieved. Nearly seven million new jobs will have to be created by 1993 as the total labor force expands from its present level of about 29 million to well over 35 million. Most of these new entrants to the labor market will be untrained and illiterate. A probable reduction in Middle East demand for Pakistani labor places further pressure on tightening job markets. Even as the need for further investment to generate employment increases, the demand for social services, especially in education and health, will also be on the rise.

Assuming that a strong population program is implemented in Pakistan today, it will have the effect of reducing fertility from 6.5 to replacement level (about two children per family) within 40 years. If this could be achieved, the population would grow from about 100 million today to 270 million in 50 years. If a population program were delayed by a mere five years, the population would be 40 million larger in 50 years. And if there were another five year delay, it would be an additional 50 million higher. Thus, every five year delay in starting an effective population program means an additional 40 to 50 million people in the population.

Although Pakistan was one of the first developing countries to initiate a family planning program, implementation has often been accompanied by political controversy and administrative problems. Overall contraceptive prevalence rates are estimated at under 13 percent. Nevertheless some family planning activities -- in particular, private sector activities such as social marketing and the program of non-governmental organizations (NGOs) -- have shown solid progress. The government's efforts to improve family planning communications, quality of services and integration of family planning into health services should further increase the chances that family planning programs will succeed.

## 2. Conclusions

Considerable experience has been gained from the first phase of the project. It has been demonstrated that SMC is an effective vehicle for making inroads into Pakistan's population problem. However, as clearly illustrated above, an aggressive population program is desperately needed.

Taking into account Pakistan's need and the potential for continued program accomplishments, it is USAID's assessment that the project should be extended by four years. This extension would provide the private sector the time required to extend its distribution coverage into additional urban and semi-urban areas and to allow for Sathi sales to increase to over 420 million by the end of the project. In addition, an extension would allow for introducing the sale of oral contraceptives to the project.

### III. PROJECT AMENDMENT DESCRIPTION

#### A. Goal and Purpose

The SMC goal and purpose remain unchanged: The overall sector goal is to reduce the rate of natural population increase as part of the goal of achieving national social and economic development. Progress toward achieving this goal will be verified by (1) a reduction of the rate of national population increase to less than the current estimate of 3.1% by the end of the project and (2) a reduction of the crude birth rate to less than the present level of about 42 per 1000 by the end of the project.

The project purpose is to increase contraceptive use by promoting family planning and expanding the availability of contraceptives through the private sector. At the end of the amended project, there will be (1) an increase in the number of outlets offering affordable contraceptives; (2) an expansion in the geographic distribution of such outlets; (3) new outlets with adequate supplies of contraceptives; (4) an increase in contraceptive sales; (5) an increase in contraceptive prevalence; and (6) user and potential user populations reporting greater access to contraceptives.

#### B. Outputs

The following indicative outputs are anticipated from the amended project activities.

Output 1 - Establishment of an effective social marketing network: This marketing network will provide an estimated 300 towns and villages in all four provinces with access to contraceptives.

Output 2 - The establishment of a management information system: This will provide the capability to track inventory movement and sales of commodities, project performance and costs.

Output 3 - Market assessments: Approximately 35 market assessments will be performed to collect data which will form the basis for strategies to reach target population and to address supply and distribution issues related to increasing interest in and the demand for the SMC products.

Output 4 - Increase retail sale outlets for contraceptives: An estimated 70,000 new retail sales outlets will be established.

Output 5 - Condoms distributed: Approximately 420,000,000 condoms will be sold as a result of this project.

Output 6 - Orals distributed: Approximately 1,800,000 cycles of orals will be sold as a result of this project.

Output 7 - Couple years of protection (CYP): An estimated 4,000,000 couple years of protection will be provided through project activities.

### C. Project Components

In the next four years, the SMC project will include six main components: (1) marketing and distribution of condoms, (2) oral contraceptives and possibly other contraceptives, (3) research, (4) technical assistance, (5) training, and (6) evaluation. Implementing project activities will rest with the competitively selected firms. Their responsibilities will include marketing of condoms and oral contraceptives, monitoring and oversight, and technical assistance. Subcontractors will be responsible for research, evaluation and other components as necessary.

The project will use a management structure similar to that developed over the last three years of project operations, with minor changes reflecting the new funding procedures. (The management structure is outlined in Section IV.B.5.)

#### 1. Marketing and Distribution of Condoms

Marketing and distribution of condoms will be carried out under a contract to a marketing/distribution firm. Condoms used in the project will continue to be provided as grants in aid by USAID.

W. Woodward Pakistan (PVT), Ltd., the local firm that was contracted by the GOP in December 1985 to carry out condom distribution will continue this function until its contract expires in December 1990. After that, it is expected that the GOP and USAID will again select a local firm, using competitive procedures, to carry out condom distribution until the end of the project. The local firm will have at least the minimum qualifications described in the original Project Paper (section III.E.1.). It will also have the same duties which comprise market planning, product management, printing and packaging, sales and distribution, promotion, research and assessment, reporting and coordination with the USAID technical assistance contractor.

The activities of the marketing/distribution firm will focus on establishing the Sathi brand and expanding its sales. In the next two years, emphasis will be placed on expanding the number of distributors from 160 to 250 and increasing the number of outlets from 50,000 to more than 70,000 within 300 towns and villages. The firm will also formulate and carry out strategies for developing consumer demand in rural areas. It may consider testing various methods for increasing consumer loyalty and sales, such as introducing a larger number of condoms in a single package. While the target audience for the project is lower-middle and lower income couples, consideration may also be given to introducing a premium priced brand of condoms in addition to the low-priced Sathi brand.

## 2. Oral Contraceptives

The project will begin sales of oral contraceptives in order to provide more women in Pakistan with a safe, affordable and effective means of family planning. The social marketing activities for oral contraceptives will be carried out by an existing commercial organization in Pakistan. It is expected that the oral contraceptive product required for the project will be provided by the commercial organization, while the project will support educational, promotional and research activities.

At present, both imported and locally-manufactured brands of oral contraceptives are sold commercially in Pakistan. Oral contraceptives are also provided through the public sector family planning program. Use of oral contraceptives has been low however, in part because there has been very little promotion of the product, and health personnel, pharmacists and consumers have received inadequate medical information. (It is estimated that about 600,000 cycles of oral contraceptives are currently sold through commercial channels each year, and that the public sector family planning program provides oral contraceptives to about 1.4 percent of married women of reproductive age.) On the other hand, oral contraceptives manufacturers and other companies manufacturing and distributing pharmaceuticals requiring a prescription have shown considerable interest and potential for expanding their sales. There is also a large unmet demand for family planning in Pakistan, and women still bear much of the responsibility for family planning. With proper promotion and information, therefore, there is a good possibility that sales and correct use of oral contraceptives will increase considerably.

The project will provide support to increase sales of an existing brand of oral contraceptives. Market research following introduction of this oral contraceptive will determine if adequate interest exists to warrant introduction of an additional brand. Project funds will be used to develop a logo for the oral contraceptive and to promote and advertise the product. It will also provide generic information and training materials for pharmacists, doctors and clients.

The contractor for the social marketing of oral contraceptives will be an existing commercial organization that is currently manufacturing oral contraceptives, or that is manufacturing or distributing other pharmaceuticals requiring a prescription and that has access to international products and know-how related to oral contraceptives. The contractor will be jointly selected by the GOP and USAID. The minimum requirements for the contractor selected will be:

- legal incorporation in Pakistan; .
- experience in marketing and selling pharmaceutical products requiring a prescription, preferably including oral contraceptives;
- willingness and ability to invest in the manufacture and marketing of an appropriate oral contraceptive product at the company's own expense;
- commitment to give priority to increasing sales of oral contraceptives, through the project period;
- capacity to increase manufacturing and packaging volume sufficiently to meet the project's sales targets;
- capacity to provide increased financial and personnel resources (with project support) to reach the target groups effectively;
- demonstrated financial and management soundness.

The contractor will perform the following services:

- provide a new or existing brand of oral contraceptives, in sufficient quantities, to sell at an agreed upon price;
- provide staff and facilities as necessary to accommodate the social marketing activities;
- consult with the technical resident advisor and the project monitoring contractor;
- perform strategic market planning, market assessments and product management activities;
- print all necessary overpacking materials and package inserts;

- distribute oral contraceptives and relevant medical literature to doctors and pharmacists, detail doctors and pharmacists on all aspects of the product, conduct seminars for doctors and pharmacists and conduct other promotional activities as necessary;
- implement and maintain a management information system;
- follow relevant A.I.D. regulatory requirements for subcontracting concerning competitive procurement, pricing of contracts, and the like;
- maintain accounting records for the project, according to the requirements of the GOP and USAID;
- develop and implement annual marketing plans, with the approval of the SMC Advisory Board.

A separate organization will be contracted to provide oversight to the orals distributor. The National Development Finance Corporation (NDFC) which currently serves this function for the condom component may also serve the same function for the social marketing of oral contraceptives. Depending on the capabilities of the orals distributor, the oversight contractor may contract for the design of a program logo and help in designing promotional materials for doctors, pharmacists and health workers, informational materials for consumers and training materials for doctors and pharmacists.

### 3. Research

The four-year research program planned in this project extension is a small (\$300,000) but critical part of the project. The need for a systematic research program became clear during the first few years of project activities. The research program, which may include up to 8 studies per annum will provide information to form the basis for strategies to reach target audiences, and to help in assessing project activities. The program will cover client profile, supply and distribution issues, as well as issues related to increasing interest in and demand for the products.

Research will be used at every stage of project activities. It will include qualitative and quantitative research to establish baseline data and assess changes over time. Before a new project activity is launched, research will also provide information needed to plan the activities. For example, the introduction of the orals component will be timed to coincide with the completion of a study that is examining the knowledge and behavior of the target population, medical practitioners and chemists, as well as current sales pattern. As the project proceeds, research will be conducted to monitor activities such as distribution and

sales including sales of other brands of condoms and orals. A national KAP study is scheduled in FY 91 to update the baseline study conducted in 1986. A price sensitivity study for condoms will also begin in FY 90. Research studies will also assess the impact of advertising, promotional and educational activities on consumers, doctors, pharmacists and other relevant groups. Special studies may be undertaken as needed to test new ideas (such as premium brands, larger count packages of condoms, feasibility of price increases and other cost recovery measures).

Research activities will be coordinated among the monitoring contractor, the USAID technical assistance advisor, and the contractors for the condom and oral contraceptives marketing activities. It is expected that the marketing/distribution contractors will conduct most of the research aimed at improving marketing strategies and operational activities. The project monitoring contractor will undertake project evaluation research. The USAID technical assistance contractor will assist in all research, particularly in planning and executing consumer-oriented research activities. The USAID contractor will also design and directly fund experimental types of research that have not been conducted in Pakistan before (for example, consumer intercept studies, price sensitivity tests, specific research for advertising campaign development, etc). In all cases, the research implementation, field work and tabulation and presentation of findings will be subcontracted to local research companies. The local companies will receive guidance and assistance as needed in formulating objectives, designing questionnaires, and other aspects of the studies.

A research plan will be developed each year and will be presented to the project Advisory Board along with the annual marketing plan. It will outline research objectives, methodologies, budgets and timetables necessary to meet the information requirements of the project. The USAID technical assistance contractor and the monitoring contractor will work with the marketing/distribution contractor to develop the annual research plan.

#### 4. Technical Assistance

The project will provide technical assistance to the GOP and the marketing and distribution firms throughout the project extension period. This technical assistance component will include both a resident technical advisor for the full 48-month period, and short-term expert consultants as needed for specific project activities.

This component will provide a continuous source of information and expertise on social marketing activities worldwide, to assist in designing and implementing project activities. The resident technical advisor will be involved in operating decisions of the project. He/she will play a particularly important role in developing the annual research plan, and especially in planning and executing consumer-oriented marketing and research activities. Specialized technical expertise will

be provided for specific activities, such as experimental research, when such expertise is not available in Pakistan.

The technical assistance component was essential to the project's success in its first few years, in providing experience and expertise that are unavailable in Pakistan. For example, the condom marketing program design was modelled to a large extent on experience in Sri Lanka and Bangladesh; studies on retail store audits and condom users required international expertise to assist in design and implementation. Technical assistance will be equally important during the extension period as the project takes on an experimental approach to marketing oral contraceptives, and issues such as increasing revenues in the condom marketing program.

A U.S. entity will serve as the contractor for the technical assistance component, to be responsible for recruiting a resident advisor to the project, and for providing short-term consultants as necessary with specific technical expertise. The resident advisor will report directly to USAID, but will serve on the project's Operating Group with the marketing firms and the monitoring contractor and will maintain regular, frequent communication with these organizations on all project activities.

The technical assistance contractor for the project is currently Population Services International Marketing Associates (PSIMA). When the PSIMA contract expires in June 1990, it is expected that USAID will select an individual or firm as contractor for the remaining period of the project using competitive procedures.

#### 5. Training

The project includes two types of training. First, distribution and promotion personnel for the contractors involved in the project's marketing operations will receive orientation and training about the products. These personnel include, for example, salesmen, wholesalers and retailers for the condom program; and physicians, pharmacists, retailers and other health workers for the oral contraceptives program. Orientation and training for these personnel will be a responsibility of the marketing/distribution contractors.

The second type of training is intended for the project leadership, such as the contractors' management officers involved in the project, and possibly some GOP officials. This training will include short-term study tours to observe social marketing programs in other countries. Several such tours have been conducted during the first years of the project, and have succeeded in bringing new ideas and a better understanding of effective social marketing techniques into the condom marketing program. In the event that a new contractor is selected to replace Woodward Pakistan (PVT), Ltd, additional similar observation tours may be required. The training component also includes short-term training in research design and analysis, which may be provided in exceptional cases to meet specific research needs of the project.

## 6. Evaluation

Evaluation activities in the next four years will provide information to track project progress in terms of inputs, outputs and purpose level achievements, modify existing activities as appropriate, and guide the development of any follow-on activities. Project evaluations will complement and draw on the management information systems that are used by the marketing/distribution contractors to monitor performance. The evaluations will also draw on the results of the research that is carried out under the project. Findings from other surveys and research conducted outside of this project (such as the national Demographic and Health Survey scheduled in 1990 and studies on non-users of contraceptives) will also be used as background to evaluate this project.

A management assessment and two external evaluations will take place during the project extension period. In July 1990, a management review of Woodward Pakistan (PVT) Ltd. will be carried out as their contract will expire on December 30, 1990. The first evaluation, in mid-1991, will be a small-scale mid-term assessment of project activities. It will be carried out by a two or three-person team, and will require two to four weeks. The second evaluation, in late 1992, will be the final project evaluation. It will be carried out by a three- or four-person team, and will require one month or more. The management assessment and both evaluations may include representatives from the GOP, USAID and AID/W, but will be primarily composed of local and expatriate consultants.

The mid-term evaluation in 1991 will concentrate on progress and issues in initiating sales of oral contraceptives. It will also consider the continuing condom marketing activities, including management and administrative considerations with the new marketing/distribution contract. This evaluation will outline areas that can be explored in considering the feasibility and desirability of increasing the self-sustainability of condom marketing activities in the future. The final evaluation will focus most attention on the strengths and weaknesses of the project in achieving its purpose. It will look at the project's achievements first in terms of the volume of sales of contraceptives. It will also assess the approaches to social marketing that have been used -- e.g. with products supplied by USAID, for the condom marketing program; or with locally manufactured products, for the oral contraceptives program. Further, the evaluation will analyze the extent to which project costs were or could have been covered by sales revenue. Finally, it will provide recommendations on the type and quantity of USAID assistance needed in the future for social marketing activities. The evaluation is scheduled to take place in late 1992 so that results will be available for planning any follow-on activities after the project ends in 1993.

#### IV. IMPLEMENTATION PLAN

##### A. Implementation Schedule

##### 1. Condoms and Orals

The implementation schedule for marketing and distributing the SMC products is the responsibility of the contractors hired to undertake these activities. Annual marketing plans will be prepared by the contractors and approved by the Advisory Board.

The ordering of condoms will be the responsibility of USAID/Pakistan, as was the case during the early years of the project. For more details see the Procurement Plan below.

##### 2. Other Activities

The implementation of other activities will continue without hiatus from the original project. Technical assistance will continue to be provided by the current contractor until the expiration of the contract in mid 1990, when the scope of work will be readvertised.

Training will be a continuous process, both in-country for various project implementors, health workers and managers, and overseas in the form of study tours.

Research, too, will be an on-going activity, with specific studies initiated as needed during the sales year. The table below gives an illustrative research agenda.

There will be a management assessment of Woodward Pakistan (PVT) Ltd. in July 1990 and two evaluations; an interim evaluation in mid 1991, and the final evaluation in late 1992.

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Table 2

Illustrative Research Schedule

1990:

1. Oral Contraceptives Consumer Survey
2. Condom Retail Shop Audit
3. Focus Group Study on Recall and perceptions of Sathi Advertizing
4. Condom Consumer Intercept Study (on experimental scale)
5. Survey on Sathi Distribution among Woodward Card Outlets
6. Price Sensitivity Study for Condoms

1991:

1. O.C. Market Research
2. National KAP Study (Repeat of 1986 Survey)
3. Rural Distribution and Media Penetration Study
4. Retail Shop Audit for Condoms and Orals

1992:

1. O.C. IEC Impact Research
2. O.C. Generic Advertising Impact Survey among Doctors, Pharmacists and Consumers
3. O.C. Market Research
4. Distribution Survey Condoms and Orals
5. Retail Shop Audit - Condoms and Orals

B. Administrative and Monitoring Arrangements

1. Contractors

During the project extension period, the project will continue to be carried out by one or more implementing agencies who will be in charge of marketing and distribution of contraceptives. Their work will be supplemented by other contractors and subcontractors, including a technical assistance contractor, local contractors for research and evaluation, and others. Contracts may be with the host country or with AID as deemed appropriate by USAID and the GOP.

2. Advisory Board

USAID and the GOP will continue to provide overall policy guidance to the project. The project Advisory Board, chaired by the Minister of State for Population, will continue to meet at least annually to review progress, issues and yearly workplans. The Executive Committee of the Advisory Board, chaired by the Secretary of the Population Welfare Division, will continue to meet at least quarterly.

3. Operating Group

Day-to-day monitoring and decision-making will continue to be performed by the project's Operating Group. The Operating Group includes the project director(s) from the implementing agency(ies), the project representative from the monitoring contractor and the USAID Advisor. The USAID Project Manager and the PWD Project Manager may attend these meetings on an ad hoc basis. This Operating Group has existed informally since the beginning of the project, and was formalized in late 1988 on the recommendation of the external evaluation team. The team concluded that the project can only function effectively if it has adequate flexibility to operate as a commercial activity. This requires that day-to-day oversight and decisions remain with a small group of persons who have extensive marketing experience.

4. Monitoring Contractor

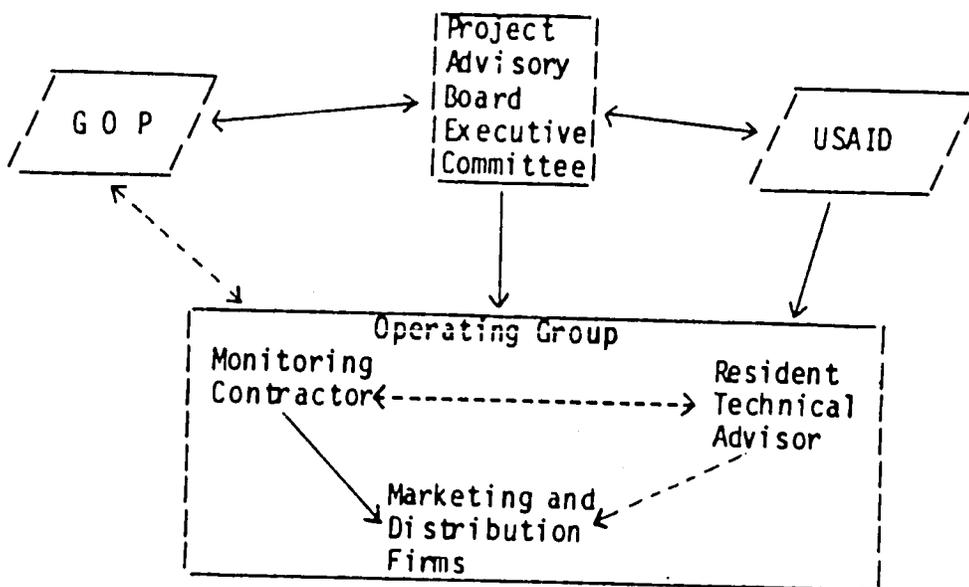
It is expected that the project will continue to have a contractor to provide financial monitoring and oversight. Since 1986 these services have been provided by the National Development Finance Corporation (NDFC) under a GOP-funded contract.

NDFC also kept close contact with the GOP Population Welfare Division (PWD), and provided them with technical and other project-related information as needed. Under the Amendment the NDFC contract may be renewed, or another contractor selected under a competitive procurement process.

5. Management Structure

The chart below shows the project management structure for the project extension period. It reflects the possibility that there may be a change in contracting arrangements for the implementing and monitoring agencies, from host country contracts to direct USAID contracts.

PROJECT MANAGEMENT STRUCTURE



C. Procurement Plan

1. Technical Assistance

Existing Technical Assistance funds obligated under Phase I of the project will cover approximately 24 person months of a full time resident technical advisor through 1991. Funds for the remaining 24 months of long term technical assistance as well as 8 person months of short term expert consultants will be provided under contingency funds as the project has already reached the ceiling for technical assistance set forth in PC-1. For more details see Section III.C.4.

2. Marketing Firms

During the project extension period USAID may contract directly with the various agencies for project activities, with the concurrence of the Government of Pakistan (GOP), recognizing the distinctly private sector, commercial nature of the project. During the first five years of the project a host country financing mode was used. The project management structure described above reflects the continuity that will be maintained in USAID and GOP oversight of project policies and plans, regardless of the selected contracting method.

The condom distribution and marketing firm, W. Woodward Pakistan Limited, has a contract that expires in December 1990. The work will then be recompleted. For details see Section III.C.1.

A separate contract will be signed with an oral contraceptives distribution and marketing contractor. Details on requirements and tasks are given in Section III.C.2.

3. Commodities

USAID/Pakistan will arrange for procurement of condoms through the AID central procurement system. Annual orders will be placed before the fourth quarter of each fiscal year and received in Karachi the following August. The cost of orals will likely be borne by the contractor, who will recoup costs from sales. However, in the event that this does not prove possible, the SMC budget contains \$500,000 for orals purchase. If this amount is not required, it will be moved to contingency. For details on the local oral contraceptives see the Technical Analysis in Section V.A.4.

Table 3 shows the expected quantities of contraceptives that will be procured during the Amendment period.

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Table 3

Estimated Contraceptive Requirements

<u>Year</u>	<u>No. of Condoms/Pieces</u>	<u>No. Of Orals/Monthly Cycles</u>
1990	62 million	300,000
1991	70 million	400,000
1992	75 million	500,000
1993	80 million	600,000

See the Back up Tables in Annex K for anticipated costs of commodities.

D. Training Plan

The contraceptives distribution firms in conjunction with the Resident Advisor will prepare a training plan for approval by the Advisory Board.

E. Evaluation Plan

This plan is presented in Section III.C.6.

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## V. ANALYSES

### A. Technical Analysis

#### 1. Need for Commercial Program

The World Bank (Rapid Population Growth in Pakistan: Concerns and Consequences, March 1989) estimates that Pakistan's family planning effort has probably reached no more than 25% of the population, of which less than half can be attributed to the public sector.

At the same time, the Bank notes that to achieve any meaningful decline in fertility rates, contraceptive use must be dramatically increased. Experience in over 30 countries shows that more than 70% of fertility reduction can be explained by greater use of contraception. To achieve even modest fertility declines, a doubling of contraceptive use by the Year 2000 in Pakistan will be needed. The Bank comments that to obtain even the modest decline in birth rates will be "an ambitious task in itself, judging from the experience of other developing countries." (Page xv.)

The number of public sector sources of contraceptive supplies and information are currently limited to approximately 1200 PWD Family Welfare Centers, which are far fewer than would be needed to cover the population. During the Amendment period it is hoped that family planning services will also be offered through the Health system, which would significantly increase rural access. However, research suggests that at most 16% of the population use public sector sources for any health or family planning services.

Thus the need for a commercial program to extend contraceptive coverage continues as strongly as when the original SMC project was designed.

#### 2. Selection of Contraceptives

The Amendment will continue to emphasize the Sathi condom as a male method that helps encourage men to take more responsibility for family well-being and decisions about family size. Surveys on family planning in Pakistan often cite husbands' opposition as a major reason for women's decision not to use contraceptives. The Sathi marketing program has countered this by emphasizing men's role in family planning. The excellent marketing work already done by the contractors has led to desensitize the use of condoms in general, and an acceptance of the Sathi brand in particular. A key activity during the amendment period will therefore be the expansion of Sathi distribution to an additional 140 towns. This will result in a total project coverage of 300 towns, and will bring the Sathi distribution network into line with the coverage of major commercial distributors in Pakistan, such as Lever Brothers and others.

However as envisaged in the original PP, there is an important role for oral contraceptives, especially in urban areas. There is certainly a

large, but undocumented, unmet demand for contraceptives among women. Orals were not introduced during the early years of the project because of the need to establish a strong condom sales system first. Time was also required to study carefully how to promote and market orals as ethical (i.e. prescription) pharmaceutical products. The 1988 evaluation, however, stated strongly that the time is now right to introduce orals through the project. The World Bank has also concluded that the program should be broadened to include oral contraceptives.

Although only a small percentage of women in Pakistan currently use orals, there are seven pharmaceutical companies in Pakistan that manufacture pills, and whose products could benefit from improved marketing and distribution techniques. With better information and education for health professionals and consumers, oral contraceptives could become significantly more popular. More discussion of the proposed orals program is presented in Section 4.6 of this Section.

Current plans are to focus principally on condoms and pills during the Amendment period. However, there is provision in the original Project Paper for the introduction of other methods, and the Mission will regularly review the feasibility of adding additional contraceptives (e.g. IUDs and injectibles) to the project.

### 3. Relationship with Public Sector Program

The GOP has explicitly recognized the merit of promoting and selling condoms and pills through the private sector. The Seventh Five Year Plan (1988 -1993) places major reliance on social marketing for non-clinical contraceptive methods, while for clinical methods (e.g. IUDs and voluntary sterilization) the public sector is emphasized.

Reports suggest that as Sathi's distribution has increased, Sathi may have exceeded public sector condoms as a proportion of total sales in commercial outlets. However, the demand for condoms distributed through Family Welfare Centers is predicted to continue high, and will continue to be a feature of the Mission's Population Welfare Project.

### 4. Distribution Strategy

#### a. Condoms

##### (1) Source of Product

For the period of the amendment, the project will continue to use imported condoms. There are currently no plans to begin local manufacture, and it is likely that many financial and socio-economic hurdles would have to be overcome for a Pakistani industry to be sustainable in the current environment. However, a study was carried out in the mid 1970s by London Rubber Company of the feasibility of

manufacturing condoms in Pakistan. During the amendment period, consideration may again be given to local manufacture. This is particularly important since the demand for condoms worldwide may exceed current manufacturing capacity in the next decade or so.

(2) Distribution Agents

During the first part of the project, the GOP has successfully contracted with a nation-wide manufacturer/distributor of a variety of consumer products to package and market the product. The product is imported in bulk from the U.S, packaged and then distribute through the contractor's system of distributors to wholesalers and retailers.

During the Amendment period, this contract will be rebid. At that time the GOP and USAID will consider whether another type of implementing arrangement should be used instead of a manufacturer/distributor. The two possible alternatives are: i. an importer or manufacturer of a variety of consumer products which uses outside distribution services, and ii. a nation-wide distribution company which contracts for distributing goods as directed.

b. Oral Contraceptives

(1) Product Source and Current Use

Seven brands of orals are manufactured and marketed in Pakistan. The brand leader, representing two-thirds of the market, retails at Rs. 6.25\* per cycle; the full price range is from Rs. 4.25 to Rs. 38.00. Both regular and low dose pills are produced and marketed locally.

A contraceptive prevalence survey in 1984 noted that although over 50% of the respondents knew about orals, only 1.4% of the population actually use them. This low level of use appears to stem from widespread misconceptions, compounded by the fact that media promotions that might clarify misunderstandings are not permitted by the government.

Although theoretically requiring a doctor's prescription, pills are often dispensed on request, without any prescription. Inappropriate use and unexplained side effects have caused fear and mystery to surround pill use.

However, pills have an important role to play in Pakistan's population program. They are safe, affordable and effective, as well as being temporary and reversible. Because of their ease of use and convenience, orals are used by over 50 million women worldwide. The Johns Hopkins University Population Report on Oral Contraceptives (Reprinted September 1984) lists the following additional benefits of orals:

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\* Rs. 20 equals \$1.00

- Protection against pelvic-inflammatory disease;
- Protection against ectopic pregnancy;
- Protection against endometrial cancer;
- Protection against cancer of the ovaries;
- Protection against benign breast disease;
- Relief from a wide range of common menstrual disorders including irregular menses, excess blood loss, premenstrual tension and cramps.

Research has also identified the population most at risk from circulatory system disease caused by orals use as women over 35, especially women who smoke. The risk for all users is reduced by taking low dose (i.e. 0.05 mg of estrogen or less) rather than high dose pills.

Other than the increased risk of circulatory system diseases (blood clots in the veins, heart disease, stroke and high blood pressure) for the population at risk, there appear to be few adverse health effects from orals of any clinical significance. Fears that orals might increase the chances of breast cancer have proved groundless. Nor do orals have an adverse effect on later childbearing. Return of fecundity may be delayed by several months in some users, but not permanently impaired. Most important, all studies have shown that in both developed and developing countries the risks associated with pregnancy and childbirth are much higher than those associated with using orals.

The John Hopkins report concludes:

"The implications for family planning programs are clear: Older women who smoke should be encouraged to use a method other than the pill or to stop smoking. For younger women and nonsmokers, encouraging regular use of oral contraceptives will yield greater health benefits than restricting the availability and use of orals. Greater effort is needed not only to make reversible means of contraception such as orals widely available, but also to be sure that they are used regularly and correctly so that women obtain their full benefit."

As described in Section III.C.2, the SMC program will pay particular attention to educating both health professionals and consumers in the correct use and possible side effects of oral contraceptives. Low dose orals will be used since these are equally effective but with fewer side effects than higher dose orals.

The social marketing of oral contraceptives has been conducted successfully in many countries. Although participation of local manufacturers in these programs is relatively new, it has proved successful in Peru, Indonesia and the Dominican Republic.

In Pakistan, the project will focus on urban women, who have more access to appropriate medical support and information. Low income urban women will have priority. Rural women will be included once some success has been demonstrated in urban areas and some lessons learned.

c. Distribution

As described in Section III, the proposed approach for orals is markedly different than for condoms. For orals the Mission proposes to use the locally manufactured products, with the manufacturer bearing the cost of production. The SMC project will finance only promotion, education and additional sales efforts. USAID believes that this approach can work for orals because of the interest of local manufacturers in this approach and its successful adoption in social marketing projects in the other countries referred to above. A relatively small proportion of the project (4% of the budget) is involved in this component.

A contract would therefore be let to either an orals manufacturer, a general pharmaceutical firm, or a distribution-only firm, to handle the packaging, promotion and sales of SMC orals brand. The contract will be signed either with the host country or AID direct. There is theoretically nothing to preclude a firm or consortiums winning contracts to market both Sathi and orals.

5. Financial Self-Sustainability

As noted in the 1988 evaluation, the low price of the Sathi condom (Rs. 1 -- 5 cents -- for four) reflects a decision to make the product available to the widest possible populations including the poor. Given the importance of the population program to the social and economic development of Pakistan, the Mission feels that this decision is justified. However, USAID is concerned about long range sustainability and will be exploring opportunities to raise prices during the amendment period. For examples, SMC will be testing various product differentiation and price strategies to determine their impact on demand.

In the case of condoms, revenues already cover the costs of incentives to the trade; when sales reach 100 million per year (projected for 1995) revenues will cover at least a proportion of promotion and management costs. The product will continue to be imported and donated by USAID.

In the case of orals, production costs will be borne by the contractor. Revenues are expected to eventually cover promotion costs. More discussion on this topic may be found in Section VII.2 of the evaluation, on file at USAID/Pakistan and AID/Washington.

6. Pricing Policy

The assumption underlying the SMC pricing policy is the need to maximize contraceptive users. SMC will charge the maximum price for contraceptives that is consistent with rapid expansion of sales. Prices must be low enough to be affordable by the poor, yet high enough to ensure that the product is perceived as being of high quality. It will of course be critical not to raise the price to a point where it affects the volume of sales. This would limit the overall population reduction impact on the project to less than what would have been possible, and the social-economic costs of continued rapid population growth could outweigh

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the benefits of additional revenue to the project. During the extension period, pricing sensitivity studies may be conducted before the price of Sathi is increased.

The 1988 evaluation notes:

"The current pricing structure has been successful in achieving a strong level of dealer support. Even though the retail margin on many of the higher priced condoms is greater, the significantly greater unit sales of Sathi offer the retailers a higher overall level of earnings." (Page 31)

Orals will be sold at a price that will be mutually agreed to by the manufacturer, the GOP and USAID. As for Sathi, the retail price will be printed on the product to ensure uniform retailing practice.

#### 7. Market Research and Promotion Methods

The Mission accepts the recommendations of the evaluation which noted that it is now time to identify the Sathi client with greater precision and to learn about attitudes and practices with respect to the product. This information will allow refinement of marketing, advertising and promotion activities.

There is an even greater need to undertake market research into attitudes and practices of orals use. With USAID help, the Population Welfare Division has solicited proposals to design and conduct an appropriate consumer survey. The survey will provide information on awareness and use of orals among married couples aged 15-44. Users will be asked for additional information on satisfaction/dissatisfaction, period of use, age and family size, source of product introduction, source of supply and future use intentions. Non-users will be identified by age, number of children, whether other contraceptives are used, and if not why not, attitudes about orals, etc.

For condoms, during the Amendment period, the project will develop point of sale materials and undertake promotions at baby shows and similar events. Messages will be prepared for press and radio, aimed directly at the consumer, based on the results of market research. Television advertising is expected to play only a minor role in advertising efforts, since it is currently limited by regulations that prohibit the use of brand names or explicit discussion of the use of the product.

By contrast, promotion of orals will primarily focus on doctors and pharmacies, although some material will be aimed at the early target consumers, i.e. low income urban women.

#### 8. Contraceptive Quantities

The anticipated quantities of condoms and orals to be sold during the Amendment period were estimated on the basis of public and private sector sales to date and social marketing experience in other countries.

As described in Section III, an annual sales target of up to 75 million Sathi condoms has been selected for the amendment period, which represents somewhat less than 1% of the population.

Orals sales and use are currently extremely low when compared to similar countries. A maximum usage level of 1,800,000 cycles is targetted for the Amendment period, with the sale of 60,000 cycles in the last year.

#### B. Financial Analysis

The current amendment to the SMC project covers a four year extension period. Over this period USAID will provide an additional \$25 million in funds. Total LOP funding by AID will reach \$45 million compared to the \$20 million allocated to the original project.

Table 4 presents a summary of the current authorized budget by expense category as well as the proposed budget. Table 5 shows a disaggregated breakdown of expenses for each year during the extension period. Table 6 presents a summary of A.I.D. funding by foreign exchange and local costs. Finally, Table 7 illustrates proposed methods of implementation and financing.

Over Phase II of the SMC project, commodities (condoms, oral contraceptives and vehicles) remain the predominant expense category. Under the amendment this expense category will increase by \$14.1 million. The amount is required to increase annual sales of condoms from 50 million in 1990 to approximately 75 million by 1993. The cost of oral contraceptives that will be introduced during the extension period will most likely be borne by the local manufacturer. However, \$500,000 is included in the \$14.1 million increase for orals purchase as a contingency measure.

The second highest expense category as a percent of the total is "other costs", which includes costs related to the markets of condom and oral contraceptives (pamphlets other information for consumers, market research, advertising, presentation of the products to physicians and pharmacists) and research. The total cost for these expenses is estimated at about \$5.3 million which is nearly 4% lower than the \$5.5 million authorized for the initial phase. During the extension period, distributors will increase by 90 (compared to 160 during Phase I) and retail outlets for contraceptives will increase by 20,000 to a total of 70,000. As a result, marketing and advertising expenses should be less. The marketing of oral contraceptives will be on a smaller scale compared to the initial effort to market condoms. About \$300,000 out of the \$5.3 million are allocated to the four year research program planned for the extension period. Experience gained during earlier project activities and an interim project evaluation indicates the need for a more scientific research program to allow the compilation of a database. The data will be used to monitor and access sales, consumers attitude and impact of advertising over time.

File: SUNSMCI  
SNC Project  
July 27, 1989

TABLE 4  
SUMMARY OF  
CURRENT AUTHORIZED PHASE I AND PROPOSED ADDITIONAL PHASE II  
(U.S. Dollars in 000)

Expense Category	Phase I Authorized	Phase I Obligation	Phase II Addition	Total Phase I & II
1. TECHNICAL ASSISTANCE	1,075	2,000	0 a/	2,000
2. TRAINING	40	50	70	120
3. COMMODITIES	12,710	10,675	14,150	24,825
4. OTHER COSTS	5,330	7,275	5,330	12,605
5. EVALUATION	190	0 b/	150	150
6. CONTINGENCY	455	0 b/	5,300	5,300
TOTAL (1-6)	20,000	20,000	25,000	45,000

a/ Additional Phase-II funds (up to 885) for technical assistance are included in Contingency as the ceiling for technical assistance under PC-I has been reached.

b/ Included in Other Costs

File: SUNSMC2  
 SMC Project  
 Date: July 27, 1989

TABLE 5  
 SUMMARY OF PROJECT COSTS BY EXPENSE CATEGORY  
 AND FISCAL YEAR FUNDING  
 PHASE II ONLY

(U.S. Dollars in 000)

Expense Category	FY 1990	FY 1991	FY 1992	FY 1993	TOTAL
<b>1. TECHNICAL ASSISTANCE</b>					
US Institutional Contract	0	0	0	0	0
Local Institutional Contract	0	0	0	0	0
<b>Total Technical Assistance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. TRAINING</b>					
Third Country	0	24	23	23	70
<b>3. COMMODITIES</b>					
Condoms	0	3,690	4,770	5,090	13,550
Oral Pills	85	110	140	165	500
Vehicles	15	20	30	35	100
<b>Total Commodities</b>	<b>100</b>	<b>3,820</b>	<b>4,940</b>	<b>5,290</b>	<b>14,150</b>
<b>4. OTHER COSTS</b>					
Condom Marketing Contract	0	204	1,766	2,030	4,000
D.C. Social Marketing	270	282	248	230	1,030
Research	100	100	100	0	300
<b>Total Other Costs</b>	<b>370</b>	<b>586</b>	<b>2,114</b>	<b>2,260</b>	<b>5,330</b>
<b>5. EVALUATION</b>	<b>0</b>	<b>50</b>	<b>100</b>	<b>0</b>	<b>150</b>
<b>6. CONTINGENCY a/</b>	<b>1,072</b>	<b>1,888</b>	<b>1,387</b>	<b>953</b>	<b>5,300</b>
<b>GRAND TOTAL (1-6)</b>	<b>1,542</b>	<b>6,368</b>	<b>8,564</b>	<b>8,526</b>	<b>25,000</b>

a/ Contingency includes up to 885 for Technical Assistance over the extension period: 240 for a local institutional contract (72, FY-90; 66, FY-91; 54, FY-92; and 48 in FY-93) and 645 for a U.S. institutional contract (0 in FY-90; 22, FY-91; 418, FY-92; and 205 in FY-93).

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File: SUSAICS  
SAC Project  
Date: July 27, 1989

TABLE 6  
SUMMARY OF A.I.D. FUNDING  
BY FOREIGN EXCHANGE (FX) AND LOCAL COST (LC)  
PHASE II ONLY

(U.S. Dollars in 000)

Expense Category	A.I.D.		TOTAL FX + LC
	FX	LC	
<b>1. TECHNICAL ASSISTANCE</b>			
US Institutional Contract	0	0	0
Local Institutional Contract	0	0	0
<b>Total Technical Assistance</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. TRAINING</b>			
Third Country	70	0	70
<b>3. COMMODITIES</b>			
Condoms	13,550	0	13,550
Oral Pills	500	0	500
Vehicles	100	0	100
<b>Total Commodities</b>	<b>14,150</b>	<b>0</b>	<b>14,150</b>
<b>4. OTHER COSTS</b>			
Condom Marketing Contract	0	4,000	4,000
O.C. Social Marketing Research	0	1,030	1,030
	0	300	300
<b>Total Other Costs</b>	<b>0</b>	<b>5,330</b>	<b>5,330</b>
<b>5. EVALUATION</b>	<b>100</b>	<b>50</b>	<b>150</b>
<b>6. CONTINGENCY</b>	<b>2,060</b>	<b>3,240</b>	<b>5,300</b> a/
<b>GRAND TOTAL (1-6)</b>	<b>16,300</b>	<b>8,620</b>	<b>25,000</b>

a/ Includes 240 for LC and 645 for FX to cover technical assistance costs, which cannot be accommodated under the technical assistance line item, as the PC-1 ceiling for technical assistance has been reached.

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TABLE 7

Proposed Methods of Implementation and Financing

<u>Expense Category</u>	<u>Method of Implementation</u>	<u>Method of Financing</u>	<u>000\$</u>
1. <u>TECHNICAL ASSISTANCE</u> (see contingency)			0
2. <u>TRAINING - OBSERVATIONAL</u>	Invitational Travel Authorizations	USAID Direct Payment	70
3. <u>COMMODITIES</u>			
Condoms and OCs	AID/W Central Procurement	AID/W Direct Payment	14,050
Vehicles	USAID Procurement.	USAID Direct Payment	100
4. <u>OTHER COSTS</u>			
A. Condom Marketing	USAID or HC Contract with a local firm.	USAID Direct Payment	4,000
B. OC Marketing	USAID or HC Contract with a local firm.	USAID Direct Payment	1,030
C. Research	Subcontract by Project Contractors.	USAID Direct Payment to Contractors via PIL	300
5. <u>EVALUATION</u>	Buy-in, TA for AID/W staff and Purchase Order for Pakistani Citizens.	USAID Direct Payment	150
6. <u>CONTINGENCY</u>			
A. Potential Technical Assistance			
1. Long Term TA - US	USAID Contract with a US institution or individual.	USAID Direct Payment	595
2. Short Term TA - US	Part of Institutional Contract. In case of contract with an individual, either buy-in or a separate PIO/T process.	USAID Direct Payment	50
3. Long Term TA - Local	USAID contract with a local firm/institution. HC contract with a local firm/institution.	USAID Direct Payment HC Reimbursement	240
B. Other			4,415
			<u>25,000</u>

Funds for technical assistance (TA)-total \$885,000 during the extension period and are shown under the contingency line item. TA provides for 48 person months of a full time resident technical advisor plus 8 person months of short term expert consultants.

Training expenditures will increase by \$70,000 during the extension period to a new LOP level of \$120,000. This category includes the cost of training: (1) distribution and promotion personnel for condoms; physicians and paramedical workers and retailers for oral contraceptives and (2) project leadership (i.e. contractors management officers, GOP officials) in research design and analysis and participation in short term study tours to observe contraceptive social marketing programs in other countries.

The annual rates of inflation used for the computations over the extension period were 5% for foreign exchange costs and 10% for local costs.

#### VI. CONDITIONS PRECEDENT, COVENANTS AND NEGOTIATING STATUS

There are no additional conditions precedent or covenants.

The project components as described in this document have been discussed with the Population Welfare Division (PWD) and they are supportive in general of existing/expanding the project in the above described areas. Copies of the latest draft have been provided to them for final review and comment. Previous issues have been incorporated in the design. Discussions on the preferred mode of funding and contracting are on-going; however, the decisions will not materially affect the goals, purposes, outputs or feasibility of the project.



FOR EXAMPLE, REVENUES FROM CONDOM SALES SHOULD AT LEAST BE SUFFICIENT TO FUND RADIO AND TELEVISION ADVERTISING FOR THE PROGRAM. THESE ARE KEY COMPONENTS OF THE EFFORT TO INCREASE CONTRACEPTIVE SALES AND AWARENESS; THEREFORE, FINANCING THEM IS CENTRAL TO THE CAPACITY OF THE GOP TO SUSTAIN THIS PROGRAM IN THE LONGER TERM FUTURE.

4. THE AA/ANE REQUESTS THE MISSION TO FORMALLY REVIEW THE PROPOSED BENCHMARKS FOR THE SMC PROJECT IN TWO YEARS TO DETERMINE PROGRESS AND SUBSEQUENT FUNDING DECISIONS. IMMITT  
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PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

ANNEX B

Life of Project:  
From FY 1984 to FY 1993  
Total U.S. Funding \$45,000  
Date Prepared: June 1989

Project Title and Number: Social Marketing of Contraceptives (391-0484)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>- To reduce the rate of natural population increases as part the goal of achieving national social and economic development.</p>	<p>Measures of Goal Achievement:</p> <ol style="list-style-type: none"> <li>1. A reduction of the rate of national population increase to less than the current estimate of 3.1% by the end of the project.</li> <li>2. A reduction of the crude birth rate to less than the present level of 42 per 1000 by the end of the project.</li> </ol>	<ol style="list-style-type: none"> <li>1. Decennial census.</li> <li>2. Contraceptive prevalence surveys.</li> <li>3. Birth and death registration (vital statistics).</li> <li>4. Other survey data.</li> </ol>	<p>Assumptions for achieving goal target</p> <ol style="list-style-type: none"> <li>1. An increasing number of Pakistani couples of child-bearing age will practice effective contraception.</li> </ol>
<p>Project Purpose:</p> <p>To promote family planning and increase contraceptive usage by expanding the availability of contraceptives through the private sector.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status</p> <ol style="list-style-type: none"> <li>1. An increase in the quantity of outlets offering affordable contraceptives.</li> <li>2. An expansion in the geographic distribution of such outlets.</li> <li>3. Increased outlets have adequate supplies of contraceptives.</li> <li>4. An increase in contraceptive sales.</li> <li>5. An increase in contraceptive prevalence.</li> <li>6. User and potential user population reporting greater access to contraceptives.</li> </ol>	<ol style="list-style-type: none"> <li>1. Market assessments.</li> <li>2. The projects management information system which monitors flows of contraceptives.</li> <li>3. Contraceptive prevalence surveys.</li> <li>4. Contraceptive sales statistics.</li> <li>5. Project evaluations.</li> </ol>	<p>Assumptions for achieving purpose:</p> <ol style="list-style-type: none"> <li>1. The project will be allowed to develop and implement its own marketing strategies for effective competition in the market place.</li> <li>2. The projects will be able to expand from a regional to a national scope</li> <li>3. AID succeeds in providing sufficient and timely deliveries of contraceptives.</li> </ol>
<p>Outputs:</p> <ol style="list-style-type: none"> <li>1. Effective social marketing network.</li> <li>2. Management information system.</li> <li>3. Market assessments.</li> <li>4. Sales outlets.</li> <li>5. Condoms sold.</li> <li>6. Orals sold.</li> <li>7. Couple years of protection.</li> </ol>	<p>Magnitude of Outputs:</p> <ol style="list-style-type: none"> <li>1. 300 towns in all provinces.</li> <li>2. 1 system to track sales, etc.</li> <li>3. 35 studies.</li> <li>4. 70,000 new outlets.</li> <li>5. 420 million.</li> <li>6. 1.8 million cycles.</li> <li>7. 4 million.</li> </ol>	<ol style="list-style-type: none"> <li>1. Market assessments.</li> <li>2. Sales reports and revenues received.</li> <li>3. Management information system data.</li> <li>4. Project financial statements.</li> <li>5. Monitoring of retailer feed-back.</li> <li>6. Site visits.</li> <li>7. Mid-term and end-of-project evaluations.</li> </ol>	<p>Assumptions for providing outputs:</p> <ol style="list-style-type: none"> <li>1. Non-prescription sale of contraceptives will continue to be allowed at retail outlets.</li> <li>2. There will no additional prohibitions on the advertising of contraceptives and some relaxation of such prohibitions will be forth coming during project life.</li> <li>3. The sale of subsidized contraceptives in the commercial sector continues to be allowed.</li> </ol>
<p>Inputs:</p> <p>(All AID funded).</p> <ol style="list-style-type: none"> <li>1. Technical Assistance.</li> <li>2. Training</li> <li>3. Commodities</li> <li>4. Evaluation/Other Costs</li> <li>5. Contingency</li> </ol>	<p>Implementation Target (Type &amp; Quantity)</p> <p>(For type see Sections III and IV of Amendment).</p> <ol style="list-style-type: none"> <li>1. \$ 2.00 million</li> <li>2. \$ 0.12 million</li> <li>3. \$24.83 million</li> <li>4. \$12.75 million</li> <li>5. \$ 5.30 million</li> </ol> <p>Total: \$45.00 million</p>	<ol style="list-style-type: none"> <li>1. U.S.A.I.D. records.</li> <li>2. Firm management records.</li> <li>3. GOP records.</li> </ol>	<p>Assumptions for providing inputs:</p> <ol style="list-style-type: none"> <li>1. The project design is approved and an agreement signed.</li> <li>2. Funds continue to be available as planned.</li> <li>3. A suitable resident advisor is found and a contract successfully negotiated.</li> <li>4. A suitably qualified private sector firm can be recruited and contracted.</li> </ol>

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5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A includes criteria applicable to all projects. Part B applies to projects funded from specific sources only: B(1) applies to all projects funded with Development Assistance; B(2) applies to projects funded with Development Assistance loans; and B(3) applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT? Yes Yes

A. GENERAL CRITERIA FOR PROJECT

- 1. FY 1989 Appropriations Act Sec. 523; FAA Sec. 634A. If money is sought to obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified? A Congressional Notification has been submitted.
- 2. FAA Sec. 611(a)(1). Prior to an obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance, and (b) a reasonably firm estimate of the cost to the U.S. of the assistance? Yes
- 3. FAA Sec. 611(a)(2). If legislative action is required within recipient country, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance? No further legislative action is required.

N/A

4. FAA Sec. 611(f); FY 1989 Appropriations Act Sec. 501. If project is for water-related land resource construction have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.)

Yes, Mission Director's 611(e) certification is included in the Project Paper.

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively?

The project is not susceptible to execution as part of a regional or multilateral project and assistance will not encourage regional development programs.

6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

- (a) No
- (b) The major involvement of the local private sector in this project should strengthen the commercial marketing of contraceptives. It should also foster private initiative and competition in the marketing of contraceptives.
- (c) No
- (d) No
- (e) No
- (f) No

7. FAA Sec. 601(a). Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

U.S. private enterprises will participate as suppliers of both goods and services under this project.

8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

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9. FAA Secs. 612(b), 636(h). Describe step taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?
11. FY 1989 Appropriations Act Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?
12. FY 1989 Appropriations Act Sec. 549. Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel?
13. FAA Sec. 119(g)(4)-(6) & (10). Will the assistance (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other

This is an ESF and DA funded project. The GOP will contribute to help finance local costs of the project. The Mission Director has certified the disbursement of U.S. dollars in lieu of U.S. Treasury-owned excess rupees to cover some of the costs under this project. This action is consistent with one of the major objectives of the economic assistance program to Pakistan which is to maximize the balance of payments impact of the program.

Pakistan is a near-excess currency country. No local currency can be made available for this project.

N/A

No

No

wildlife habitats; (c) support effort to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

14. FAA Sec. 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (either dollars or local currency generated therefrom)?

N/A

15. FY 1989 Appropriations Act. If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government?

N/A

16. FY 1989 Appropriations Act Sec. 538. If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.?

N/A

17. FY 1989 Appropriations Act Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has prior approval of the Appropriations Committees of Congress been obtained?

N/A

18. State Authorization Sec. 139 (as interpreted by conference report). Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision).

This will be done.

**B. FUNDING CRITERIA FOR PROJECT**

**1. Development Assistance Project Criteria**

a. FY 1989 Appropriations Act Sec. 549  
(as interpreted by conference report  
for original enactment). If  
assistance is for agricultural  
development activities (specifically,  
any testing or breeding feasibility  
study, variety improvement or  
introduction, consultancy,  
publication, conference, or  
training), are such activities (a)  
specifically and principally designed  
to increase agricultural exports by  
the host country to a country other  
than the United States, where the  
export would lead to direct  
competition in that third country  
with exports of a similar commodity  
grown or produced in the United  
States, and can the activities  
reasonably be expected to cause  
substantial injury to U.S. exporters  
of a similar agricultural commodity;  
or (b) in support of research that is  
intended primarily to benefit U.S.  
producers?

(a) No

(b) No

b. FAA Secs. 102(b), 111, 113, 281(a).  
Describe extent to which activity  
will (a) effectively involve the poor  
in development by extending access to  
economy at local level, increasing  
labor-intensive production and the  
use of appropriate technology,  
dispersing investment from cities to  
small towns and rural areas, and  
insuring wide participation of the  
poor in the benefits of development  
on a sustained basis, using  
appropriate U.S. institutions;  
(b) help develop cooperatives,  
especially by technical assistance,  
to assist rural and urban poor to  
help themselves toward a better life,  
and otherwise encourage democratic  
private and local governmental

The objective of the project  
is to contribute national  
social and economic development  
through a reduction in the rate  
of natural population increase.

institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.

- c. FAA Secs. 103, 103A, 104, 105, 106, 120-21; FY 1989 Appropriations Act (Development Fund for Africa). Does the project fit the criteria for the source of funds (functional account) being used? Yes
  
- d. FAA Sec. 107. Is emphasis placed on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)? N/A
  
- e. FAA Secs. 110, 124(d). Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)? Yes. The GOP will provide it's contribution 'in kind'.
  
- f. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority? N/A

- g. FAA Sec. 201(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government. N/A
- h. FY 1989 Appropriations Act Sec. 536. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions? No
- Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations? No
- Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? No
- i. FY 1989 Appropriations Act. Is the assistance being made available to any organization or program which has been determined to support or participate in the management of a program of coercive abortion or involuntary sterilization? No
- If assistance is from the population functional account, are any of the funds to be made available to voluntary family planning projects which do not offer, either directly or through referral to or information about access to, a broad range of family planning methods and services? N/A

- j. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?
- k. FY 1989 Appropriations Act. What portion of the funds will be available only for activities or economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?
- l. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (a) stress the importance of conserving and sustainably managing forest resources; (b) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (c) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (d) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (e) help conserve forests which have not yet been degraded by helping to increase

Yes

Every reasonable attempt will be made to provide disadvantaged enterprises the maximum portion of project funding.

N/A

production on lands already cleared or degraded; (f) conserve forested watersheds and rehabilitate those which have been deforested; (g) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (h) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (i) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (j) seek to increase the awareness of U.S. government agencies and other donors of the immediate and long-term value of tropical forests; and (k) utilize the resources and abilities of all relevant U.S. government agencies?

N/A

E FAA Sec. 118(c)(13). If the assistance will support a program or project significantly affecting tropical forests (including projects involving the planting of exotic plant species), will the program or project (a) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (b) take full account of the environmental impacts of the proposed activities on biological diversity?

N/A

- n. FAA Sec. 118(c)(14). Will assistance be used for (a) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; or (b) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas? N/A
- o. FAA Sec. 118(c)(15). Will assistance be used for (a) activities which would result in the conversion of forest lands to the rearing of livestock; (b) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undegraded forest lands; (c) the colonization of forest lands; or (d) the construction of dams or other water control structures which flood relatively undegraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development? N/A
- p. FY 1989 Appropriations Act. If assistance will come from the Sub-Saharan Africa DA account, is it (a) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (b) being provided in accordance with the policies contained in section 102 of the FAA; N/A

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(c) being provided, when consistent with the objectives of such assistance, through African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (d) being used to help overcome shorter-term constraints to long-term development, to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take into account, in assisted policy reforms, the need to protect vulnerable groups; (e) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the renewable natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

N/A

9. FY 1989 Appropriations Act Sec. 515. If debt/reop authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same general region as originally obligated, and have the Appropriations Committees of both Houses of Congress been properly notified? N/A
2. Development Assistance Project Criteria (Loans Only) This is an ESF and DA grant funded project.
- a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest. N/A
- b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest? N/A
- c. FAA Sec. 122(b). Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities? N/A

Economic Support Fund Project Criteria

- a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA? Yes. The project will improve accessibility to contraceptives, contribute to the reduction of the population growth rate and thereby facilitate the achievement of the GOP's development goals as they relate to economic and political stability.
- b. FAA Sec. 531(e). Will this assistance be used for military or paramilitary purposes? No
- c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? Yes

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FOR ANE/PD

E.O. 12356: N/A  
SUBJECT: SOCIAL MARKETING OF CONTRACEPTIVES PROJECT  
EXTENSION (391-0484): DRAFT CONGRESSIONAL NOTIFICATION  
(CN)

1. SUMMARY: THIS CABLE TRANSMITS DRAFT LANGUAGE FOR CONGRESSIONAL NOTIFICATION FOR THE SOCIAL MARKETING OF CONTRACEPTIVES PROJECT EXTENSION (391-0484). MISSION WOULD APPRECIATE YOUR PROCESSING THIS ASAP AND NOTIFYING US WHEN THE 15-DAY WAITING PERIOD EXPIRES. END SUMMARY.

2. DRAFT CN LANGUAGE FOLLOWS:

A. ACTIVITY DATA SHEET:

- (1) COUNTRY: PAKISTAN
- (2) TITLE: SOCIAL MARKETING OF CONTRACEPTIVES
- (3) PROJECT NUMBER: 391-0484
- (4) FY 89 GLOBAL REPORT REFERENCE: PP 155 AND 156
- (5) FUNDING SOURCE: ECONOMIC SUPPORT FUNDS (ESF) AND DEVELOPMENT ASSISTANCE FUNDS (DA).
- (6) LIFE OF PROJECT FUNDING: 45 MILLION GRANT
- (7) PROPOSED FY 89 OBLIGATION: 6 MILLION DA
- (8) ESTIMATED FINAL OBLIGATION: FY 93
- (9) ESTIMATED COMPLETION DATE OF PROJECT: 09/30/93

B. NARRATIVE IS AS FOLLOWS:

(1) PURPOSE: TO INCREASE THE USE OF CONTRACEPTIVES BY PROMOTING FAMILY PLANNING AND BY EXPANDING THE AVAILABILITY OF CONTRACEPTIVE DEVICES IN THE MARKETPLACE.

(2) BACKGROUND: TO REDUCE PAKISTAN'S CURRENT POPULATION GROWTH RATE (3.1 PERCENT), THE GOVERNMENT OF PAKISTAN BEGAN A SOCIAL MARKETING OF CONTRACEPTIVES (SMC) PROGRAM IN DECEMBER 1985. THE SATHI CONDOM WAS INTRODUCED IN 1986 AND NATIONWIDE DISTRIBUTION AND MARKETING BEGAN IN JANUARY 1987. SINCE THEN THE PROJECT HAS PROGRESSED RAPIDLY AND HAS ACHIEVED AN IMPRESSIVE RECORD OF SUCCESS. WITHIN 27 MONTHS OF MARKETING ACTIVITY, OVER 80 MILLION CONDOMS HAVE BEEN SOLD AND THERE ARE CLEAR INDICATIONS THAT CONSUMER

SERIAL FILE	ACTN	OFFIC	DATE
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		E&E	
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		OPM	
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		OSD	
		PRD	
		PSD	
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DEMAND FOR SATHI IS GROWING STEADILY. THE 1988 EVALUATION CONCLUDED THAT THE INITIAL SUCCESS OF THE PROJECT IS VERY IMPRESSIVE AND THAT THE PROJECT HAS THE POTENTIAL TO BE ONE OF THE MOST EFFECTIVE SOCIAL MARKETING PROJECTS IN THE WORLD. THE EVALUATION FURTHER RECOMMENDED EXTENSION OF THE PROJECT FOR A PERIOD OF FOUR YEARS FROM THE ORIGINAL PROJECT EXPIRY DATE OF SEPTEMBER 30, 1989. THE POPULATION WELFARE DIVISION (PWD) OF THE GOP, USAID AND OTHERS CONNECTED WITH THE PROJECT ARE IN AGREEMENT THAT IT SHOULD BE EXTENDED FOR FOUR YEARS AND ACCORDINGLY PLANS HAVE BEEN FORMULATED FOR THE EXTENSION.

(3) PROJECT DESCRIPTION: THE PROPOSED PROJECT EXTENSION PROVIDES AN ADDITIONAL DOLS 25 MILLION GRANT TO SUPPORT A PRIVATE SECTOR MARKETING PROGRAM FOR CONTRACEPTIVES. THE PROJECT IS BEING CARRIED OUT BY EXISTING PAKISTANI MARKETING FIRMS. IT USES THE EXPERTISE AND COMMERCIAL MARKETING NETWORKS OF THE PRIVATE SECTOR TO MAKE CONTRACEPTIVES, PARTICULARLY CONDOMS AND ORAL PILLS, AVAILABLE AT AFFORDABLE PRICES TO LOW INCOME MARRIED COUPLES OF FERTILE AGE. A U.S. MINORITY FIRM PROVIDES TECHNICAL ASSISTANCE TO THE PROJECT, THROUGH A RESIDENT ADVISOR AND SHORT-TERM CONSULTANTS. REVENUES GENERATED BY THE SALES OF CONTRACEPTIVES ARE INTENDED TO BE USED FOR ACTIVITIES IN SUPPORT OF THE PROJECT. THE PROJECT WILL TEST NEW APPROACHES TO REACH AN INCREASING PROPORTION OF THE POPULATION AND TO GENERATE ADDITIONAL REVENUE.

(4) RELATIONSHIP OF PROJECT TO AID COUNTRY STRATEGY: IF THE TREND IN PAKISTAN'S POPULATION GROWTH RATE IS SUSTAINED, THE 1988 POPULATION OF AROUND 104 MILLION WILL DOUBLE IN 23 YEARS. SUCH GROWTH WILL GRAVELY IMPEDE PAKISTAN'S ABILITY TO ACHIEVE FOOD SELF-SUFFICIENCY AND TO PROVIDE SERVICES FOR ITS PEOPLE. AID HAS THEREFORE IDENTIFIED THIS PROBLEM AS ONE OF ITS HIGHEST DEVELOPMENT PRIORITIES.

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(5) BENEFICIARIES: THE DIRECT BENEFICIARIES OF THIS PROJECT WILL INCLUDE THE MILLIONS OF MARRIED COUPLES IN THE FERTILE AGE GROUP, WHO WILL HAVE GREATER ACCESS TO QUALITY CONTRACEPTIVES. PRIVATE SECTOR RETAILERS WILL BENEFIT. MORE BROADLY, A CONTRIBUTION TO THE GOP'S EFFORTS TO REDUCE THE COUNTRY'S RATE OF POPULATION GROWTH MAY BE ONE OF AID'S MOST VALUABLE ASSISTANCE ACTIVITIES IN PAKISTAN.

(6) HOST COUNTRY AND OTHER DONORS: THE GOVERNMENT OF PAKISTAN CONTRIBUTES FUNDS TO COVER THE COSTS OF THE POPULATION WELFARE DIVISION AND THE NATIONAL DEVELOPMENT FINANCE CORPORATION WHICH MONITORS THE SMC ACTIVITY ON BEHALF OF THE GOP. IN ADDITION, THE GOP AND OTHER DONORS PROVIDE SUBSTANTIAL SUPPORT TO OTHER COMPONENTS OF THE GOP'S TOTAL POPULATION EFFORT. BECAUSE OF AID'S EXPERIENCE IN ASSISTING SOCIAL MARKETING PROJECTS IN OTHER COUNTRIES, AID IS THE MOST APPROPRIATE DONOR TO SUPPORT THIS PROJECT IN PAKISTAN.

(7) MAJOR OUTPUTS:

ESTABLISHMENT OF AN EFFECTIVE SOCIAL MARKETING NETWORK.		X
MANAGEMENT INFORMATION SYSTEM		X
EVALUATIONS AND MARKET ASSESSMENTS		35
INCREASE RETAIL SALES OUTLETS FOR CONTRACEPTIVES FROM AN ESTIMATED 27,000 TO:		
CONDOMS DISTRIBUTED	60,000	
ORALS DISTRIBUTED	420,000,000	
MINIMUM COUPLE YEARS OF PROTECTION (CYP)	1,200,000	
TRAINED PROGRAM PERSONNEL	4,000,000	
		12

(8) AID FINANCED INPUTS:

LIFE OF PROJECT  
(IN THOUSAND DOLS)

TECHNICAL ASSISTANCE	2,860
TRAINING	127
COMMODITIES	30,700
EVALUATION	306
OTHER COSTS (PRINTING/PACKAGING, SOCIAL MARKETING UNIT OPERATIONS, MARKET ASSESSMENTS, PRODUCT PROMOTION)	8,928
CONTINGENCY	2,709
TOTAL	45,000

(9) U.S. FINANCING

(IN THOUSAND DOLS)

THROUGH SEPTEMBER 30, 1988	17,500
PROPOSED FY 89 OBLIGATION	6,000
FUTURE YEAR OBLIGATIONS	21,500
ESTIMATED TOTAL COST	45,000

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ANNEX D  
Page 4

PRINCIPAL CONTRACTORS OR AGENCY: US FIRMS AND  
CONTRACTORS AND PAKISTANI PRIVATE SECTOR FIRMS  
SELECTED IN ACCORDANCE WITH A.I.D. COMPETITIVE  
PROCUREMENT PROCEDURES. OAKLEY

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ISLAMABAD 011391/02

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INITIAL ENVIRONMENTAL EXAMINATION (IEE)  
FOR  
PAKISTAN - SOCIAL MARKETING OF CONTRACEPTIVES PROJECT

1. Project Country : Islamic Republic of Pakistan
2. Implementation Agency : Population Welfare Division, GOP
3. Project Title and Number : Social Marketing of Contraceptives (SMC)  
391-0404
4. Project Amendment Number : One
5. Life of Project : Original FY 1984 - FY 1989 (5 years)  
Amendment FY 1990 - FY 1993 (4 years)
6. Project Assistance Completion Date : September 30, 1993
7. Project Funding : The LOP funding will be \$45 million in  
ESF and DA Grant Funds.
8. Environmental Action Recommended : Negative Determination
9. Prepared by : Chaudhry Latif Ali *[Signature]*  
Mission Environmental Engineer
10. Reviewed by : 1. Waldemar Albertin  
Mission Environmental Advisor  
2. *[Signature]*  
Chief,  
Health, Population and Nutrition (HPN)
11. Chief, Energy and Environment : *[Signature]*  
Concurrence : T. David Johnston  
Date: June 15, 1989
12. Bureau Environmental Coordinator for Asia and  
Near East

Approved  Disapproved

*[Signature]*  
Molly Kux  
Date: June 20, 1989

ESE:CLA11  
TEESMCI:6/6/89

INITIAL ENVIRONMENTAL EXAMINATION (IEE)  
FOR  
PAKISTAN - SOCIAL MARKETING OF CONTRACEPTIVES PROJECT

1. Project Country : Islamic Republic of Pakistan
2. Implementation Agency : A. Population Welfare Division, GOP  
B. (1) M/s Woodward's (Pvt.) Limited for marketing AID/Washington procured U.S. made condoms.  
(2) One/more Pharmaceutical Companies to be selected competitively for marketing locally made, GOP approved oral contraceptives.
3. Project Title and Number : Social Marketing of Contraceptives (SMC) 391-0484
4. Project Amendment Number : One
5. Life of Project : Original FY 1984 - FY 1989 (5 years)  
: Amendment FY 1990 - FY 1993 (4 years)
6. Project Assistance Completion Date : September 30, 1993
7. Project Funding : The LOP funding will be \$45 million in ESF and DA Grant Funds.  
Original : \$20 Million ESF Grant Funds  
Amendment: \$25 Million ESF Grant Funds
8. Goal and Purpose of Project
  - Goal The sector goal is to reduce the rate of natural population increase as part of the goal of achieving national social and economic development.
  - Purpose The project purpose is to increase contraceptive usage by promoting family planning and expanding the availability of modern and effective contraceptives through the private sector.
9. Project Description

The activity calls for sale of Condoms and Oral Contraceptives (OCs) at prices affordable to consumers, using existing Private Sector firms. Under a host-country contract, M/s W. Woodward (Private) Limited (WW) are selling Condoms which have been procured by AID/Washington through GSA for worldwide AID-funded SMC activities. The SMC Condoms arrive at Karachi airport, are stored in a GOP central warehouse, move to WW factory

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where they are packed in small packs and then released for sale through MW distributors, wholesalers and retailers. OC sale, which has not commenced yet, will follow the same process i.e. GOP will contract with local firm(s). However, the OCs will not be imported from the US but will be locally made. These OCs will be approved by and registered with cognizant GOP authorities like any other pharmaceutical product.

In the next four years, the SMC project will include five main components: Marketing and distribution of condoms, oral contraceptives and possibly other contraceptives; training; research; evaluation; and technical assistance. Carrying out these components will be the responsibility of the implementing agencies for the condom and oral contraceptives marketing, the National Development Finance Corporation (NDFC), the USAID technical assistance contractor, and subcontractors for research, evaluation and other components as necessary. The project will continue to use the management structure that has been developed over the last three years of project operations.

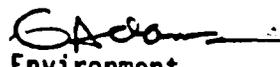
The following indicative outputs are anticipated from project activities:

- a. Establishment of an effective social marketing network: This marketing network will provide an estimated 300 towns and villages in all four provinces with access to contraceptives.
- b. The establishment of a management information system: This will provide the capability to track movement, inventory, sales of commodities, project performance and costs.
- c. Market assessments: Approximately 35 market assessments will be performed to ascertain data which will form the basis for strategies to reach target population and to address supply and distribution issues related to increasing interest and the demand for the SMC products.
- d. Increase retail sale outlets for contraceptives: An estimated 60,000 new retail sales outlets will be established.
- e. Condoms distribution: Approximately 420,000 condoms will be sold as a result of this project.
- f. Oral Contraceptives: Approximately 1,800,000 OCs will be sold.
- g. Couple years of protection (CYP): An estimated 4,000,000 couple years of protection will be provided through project activities.

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10. Recommendation

The goal of the project is to achieve national, social and economic development of Pakistan by reducing the rate of natural population increase. This is to be achieved by introducing increased contraceptive usage and promoting family planning by expanding the availability of modern and effective contraceptives through the private sector. Keeping in view the project components and the activities involved, it is recommended that no further environmental review is necessary for this project. This recommendation is in consistence with AID Regulation 22 CFR Part 216, Section 216.2(c)(2)(viii), which provides for a categorical exclusion for population and family planning program that do not include construction activities.

11. Environmental Action Recommended : Negative Determination
12. Prepared by : Chaudhry Laiq Ali  
Mission Environmental Engineer
13. Reviewed by : 1. Waldemar Albertin  
Mission Environmental Advisor  
2. Anne Barnes  
Chief,  
Health, Population and Nutrition (HPN)
14. Concurred by:  T. David Johnston   
Chief, Energy and Environment
15. Bureau Environmental Coordinator's Approval/Disapproval requested



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
MISSION TO PAKISTAN

Cable: USAIDPAK

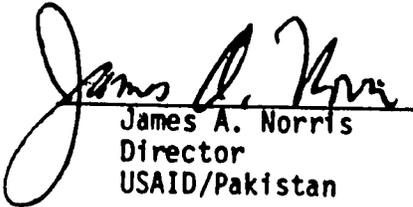
HEADQUARTERS OFFICE  
ISLAMABAD

SOCIAL MARKETING OF CONTRACEPTIVES (SMC) PROJECT (391-0484)

FAA Section 611 (e) Certification

I, James A. Norris, the principal officer of the Agency for International Development in the Islamic Republic of Pakistan, having taken into account, among other things, the maintenance and utilization of projects in the Islamic Republic of Pakistan, previously financed or assisted by the United States, do hereby certify, pursuant to Section 611(e) of the Foreign Assistance Act of 1961, as amended, that, in my judgment, the Islamic Republic of Pakistan has both the financial capability and the human resources capability effectively to implement, utilize and maintain the proposed Social Marketing of Contraceptives (SMC) Project.

This judgment is based upon the project analysis as detailed in SMC Project and is subject to the conditions imposed herein.

  
James A. Norris  
Director  
USAID/Pakistan

4/18/89  
Date



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
MISSION TO PAKISTAN

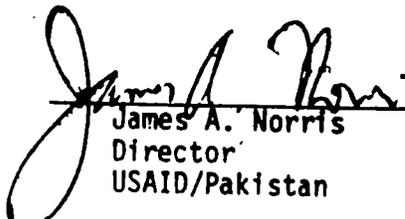
Cable: USAIDPAK

HEADQUARTERS OFFICE  
ISLAMABAD

SOCIAL MARKETING OF CONTRACEPTIVES (SMC) PROJECT (391-0484)

Certification for Compliance With Gray Amendment

I, James A. Norris, the principal officer of the Agency for International Development in the Islamic Republic of Pakistan, do hereby certify that the acquisition plan in the Project Paper was developed with full consideration of maximally involving the Minority and Women-Owned Firms, or Gray Amendment Organizations, in the provision of required goods and services. Set-aside opportunities for such organizations to participate in this project have been assessed and deemed inappropriate at this stage. However, such organizations are encouraged to compete or contract awards, and prime contractors are expected to make an effort to sub-contract, as appropriate, with these entities. During the course of implementation, opportunities for such organizations to participate in the project will be further considered.

  
James A. Norris  
Director  
USAID/Pakistan

9/19/89  
Date

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UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
MISSION TO PAKISTAN

Cable: USAIDPAK

HEADQUARTERS OFFICE  
ISLAMABAD

SOCIAL MARKETING OF CONTRACEPTIVES (SMC) PROJECT (391-0484)

USAID/PAKISTAN MISSION DIRECTOR'S WAIVER FOR-A.I.D.  
PAYMENT OF INTERNATIONAL PARTICIPANT TRAVEL COSTS

A.I.D. Handbook 10, Chapter 15b1, provides that the cost of international travel, including incidental costs en route as well as the cost of travel between the participant's city and the points of departure and return in the participant's home country, shall be paid by the host government or other sponsor unless, in the case of Mission-funded programs, the Mission Director has justified and authorized full or partial waivers and has so notified S&T/IT.

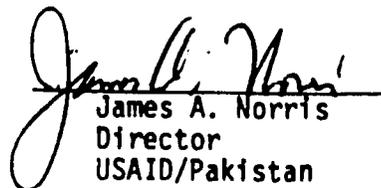
Training and institution-building are important components of the economic assistance programs negotiated between the Governments of the U.S. and Pakistan. USAID/Pakistan's experience, however, has been that the Government of Pakistan (GOP), due to serious foreign exchange and budgetary constraints, has been historically unable to fund international travel costs for short-term training programs. The consequences have been that Pakistani participants have, on numerous occasions, been denied worthwhile and much needed training, inhibiting the achievement of project targets.

I have carefully reviewed the advisability of requiring full GOP funding for travel costs for participant training of one year or less and the alternative of funding such travel with grant and loan funds provided through USAID/Pakistan to the GOP. Recognizing the objectives of many of our projects and the fact that project success will be enhanced by encouraging opportunities for short-term training, I have determined that it would be prejudicial to U.S. interests to require that the GOP pay the entire international participant travel costs for training programs of one year or less.

Therefore, on all Mission-funded training programs up to and including one year, USAID/Pakistan shall be responsible for the entire cost of the round-trip economy class air ticket and other necessary incidental costs en route. Where a PIO/P has been originally written for a program of one year or less, but, after the participant has initiated his or her program, the program is extended so that it exceeds one year in total, USAID/Pakistan shall also fund the round-trip ticket. The justification for funding programs that are extended is to minimize administrative problems which are otherwise likely to occur.

6h

On the basis of the above justification and pursuant to handbook 10, Chapter 15B1a, I, James A. Norris, principal officer of the Agency for International Development in Pakistan, do hereby waive the requirement that the host government fully fund international travel for training courses of one year or less and authorize payment with USAID/Pakistan loan and grant funds for travel costs as specified above.

  
James A. Norris  
Director  
USAID/Pakistan

9/18/89  
Date

IDENTIFIED AS NOT BEING MANUFACTURED IN THE U.S. AND--A  
SECOND FOR THOSE VEHICLES WHICH WILL HAVE TO BE  
IDENTIFIED CASE-BY-CASE. THE PROCEDURES ARE AS FOLLOWS:

A. FOR THE CATEGORIES OF VEHICLES IN PARAGRAPH 1A AND  
1B ABOVE, ONCE THE MISSION OR A.I.D./W BUREAU  
RESPONSIBLE FOR A PROJECT DETERMINES THAT THE VEHICLES  
ARE NEEDED FOR THE PROJECT, NO FURTHER WAIVER IS  
NECESSARY.

B. FOR THE CATEGORIES OF VEHICLES IN PARAGRAPH 1C  
ABOVE, IF THE MISSION OR A.I.D./W BUREAU DETERMINES A  
NEED FOR A RIGHT-HAND-DRIVE VEHICLE OR MOTORCYCLE THAT  
MAY NOT BE MANUFACTURED IN THE UNITED STATES, THE  
MISSION/BUREAU WILL SEND A REQUEST TO THE COMMODITY  
SUPPORT DIVISION OF THE OFFICE OF PROCUREMENT  
(M/SER/CP/COMS) SPECIFYING THE TYPE OF VEHICLE NEEDED.  
M/SER/OP/COMS WILL DETERMINE WHETHER ANY VEHICLES  
MEETING THE SPECIFICATIONS ARE MANUFACTURED IN THE  
UNITED STATES. IF IT DETERMINES THAT THERE ARE NONE, IT  
WILL NOTIFY THE REQUESTOR AND THE BLANKET WAIVER  
AUTHORITY MAY BE USED TO COVER THE PROCUREMENT OF THOSE  
VEHICLES FROM OUTSIDE THE UNITED STATES.

C. IN EITHER 3A OR 3B ABOVE, SPARE PARTS SETS FOR THESE  
VEHICLES THAT ARE PURCHASED IN THE SAME CONTRACT OR  
ORDER ARE ALSO INCLUDED IN THE WAIVER.

D. MISSIONS/BUREAUS USING THIS WAIVER AUTHORITY WILL  
MAINTAIN A RECORD OF THE NUMBER, TYPE AND VALUE OF  
VEHICLES PURCHASED UNDER THIS AUTHORITY. THE  
INFORMATION WILL BE SUBMITTED TO A.I.D./W FOR REVIEW  
WHEN WAIVER RENEWAL IS CONSIDERED. BAKER

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STATE 079274

VZCZC110235  
FM RUEHIL  
DE RUEHC #9274 2731133  
ZNR UUUUU ZZZ  
R 141129Z MAR 89 ZEX  
FM SECSTATE WASHDC  
TO AID WORLDWIDE  
BT

14-MAR-89

TOR: 16:34  
CN: 11644  
CHRG: AID  
DIST: AID  
ADD:

UNCLAS STATE 279274

ADM AID

E.O. 12356: N/A

TAGS:

SUBJECT: BLANKET SOURCE/ORIGIN WAIVER FOR PROJECT  
PROCUREMENT OF CERTAIN RIGHT-HAND-DRIVE VEHICLES AND  
MOTORCYCLES PIUS SPARE PARTS PURCHASED WITH THESE  
VEHICLES

1. THE ADMINISTRATOR HAS APPROVED A BLANKET  
SOURCE/ORIGIN WAIVER AND A WAIVER OF SECTION 636(I) OF  
THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, TO ALLOW  
PROCUREMENT FROM GEOGRAPHIC CODE 935 COUNTRIES OF THE  
FOLLOWING:

A. RIGHT-HAND-DRIVE, LIGHT-DUTY VEHICLES OF 11,000  
POUNDS GROSS VEHICLE WEIGHT RATING OR LESS;

B. ONE-WHEEL-DRIVE MOTORCYCLES OF 125 CUBIC CENTIMETERS  
DISPLACEMENT OR LESS;

C. OTHER RIGHT-HAND-DRIVE VEHICLES AND MOTORCYCLES THAT  
ARE NOT AVAILABLE FROM THE UNITED STATES, AS DETERMINED  
CASE-BY-CASE BY THE COMMODITY SUPPORT DIVISION OF THE  
OFFICE OF PROCUREMENT (M/SER/OP/COMS); AND

D. SPARE PARTS PURCHASED WITH THE ABOVE VEHICLES.

2. LIMITATIONS:

A. THIS WAIVER COVERS ONLY SUCH VEHICLES THAT ARE  
PROCURED UNDER A.I.D.-FINANCED PROJECTS. NEITHER  
ADMINISTRATIVE, NOR NONPROJECT VEHICLES ARE INCLUDED.

B. THIS WAIVER COVERS ONLY RIGHT-HAND-DRIVE VEHICLES  
AND MOTORCYCLES WHICH ARE NOT MANUFACTURED IN THE UNITED  
STATES. OTHER REQUIREMENTS FOR NON-U.S. VEHICLES MUST  
BE JUSTIFIED AND APPROVED UNDER SEPARATE WAIVER  
AUTHORITY.

C. THIS WAIVER IS LIMITED TO VEHICLES PURCHASED DURING  
THE PERIOD 7 MARCH 1989 THRU 6 MARCH 1990.

3. UNDER THE BLANKET WAIVER APPROVED BY THE  
ADMINISTRATOR, THERE ARE TWO DIFFERENT PROCEDURES--ONE  
FOR VEHICLES WHICH HAVE ALREADY BEEN SPECIFICALLY

OFFICIAL FILE	ACTION	OFFICE	INFO
		AD	
		DDG	
		PLA	
		(S&M)	
		DDM	
		DDI	
		DDO	
		DDP	
		DDR	
		DDF	
		DDG	
		DDH	
		DDI	
		DDJ	
		DDK	
		DDL	
		DDM	
		DDN	
		DDO	
		DDP	
		DDQ	
		DDR	
		DDR	
		DDT	
		DDU	
		DDV	
		DDW	
		DDX	
		DDY	
		DDZ	

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D.O. No. 2(2)US-1/81

Government of Pakistan  
MINISTRY OF FINANCE AND  
ECONOMIC AFFAIRS  
(ECONOMIC AFFAIRS DIVISION)

Telegram : ECONOMIC

Telcx : ECDIV No : 05-634

Islamabad, the...17th Sept. ...19 89.

JOINT SECRETARY

PHONE: 821682

SUBJECT:- SOCIAL MARKETING OF CONTRACEPTIVES

Dear Mr. Norris,

USAID have supported Social Marketing of Contraceptives project with a grant assistance of \$ 20 million, provided over a period of six years from 1984 to 1989. Being cognizant of the importance of this project, GOP hereby requests the USAID to provide additional grant assistance of \$ 25 million and to extend the project's assistance completion date to September 30, 1993.

This supersedes our earlier letter of even number dated August 29, 1989.

With kind regards,

Yours sincerely,

( Saad Ashraf )

Mr. James A. Norris,  
Director,  
USAID Mission,  
ISLAMABAD.

Financial Analyses Backup Tables

DETAILED BUDGET ESTIMATES

TECHNICAL ASSISTANCE  
INSTITUTIONAL CONTRACT WITH A U.S FIRM  
PHASE II ONLY  
(U.S. DOLLARS in 000)

	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>Total</u>
<b>1. <u>Salaries &amp; Fringe</u></b>					
Home Office including 8 PM ST/TA	15	27	27	15	84
Salary Resident Advisor	30	62	65	32	189
Fringe	14	28	30	15	87
Total Salary & Fringe	<u>59</u>	<u>117</u>	<u>122</u>	<u>62</u>	<u>360</u>
2. Indirect Costs	80	160	172	84	496
3. Local Support Staff	8	18	21	10	57
4. Overseas Allowances	6	12	13	7	38
5. Travel & Transportation	20	50	55	23	148
6. Other Direct Costs	4	9	10	5	28
7. Fixed Fee	<u>13</u>	<u>26</u>	<u>25</u>	<u>14</u>	<u>78</u>
TOTAL REQUIRED	190	392	418	205	1,205
Less = Provided in Phase I Funding	<u>190</u>	<u>370</u>	<u>0</u>	<u>0</u>	<u>560</u>
NET ADDITIONAL FUNDING REQUIRED	<u>0</u>	<u>22</u>	<u>418</u>	<u>205</u>	<u>645 a/</u>

a/ \$645,000 is included under contingency in the budget as the ceiling for technical assistance under PC-1 has been reached.

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File: SMCALF  
SMC Project  
Date: Sept.10, 1989

TECHNICAL ASSISTANCE  
INSTITUTIONAL CONTRACT WITH A LOCAL FIRM  
PHASE II ONLY  
(Figures in Pak Rupees)

Category of Expenses	Unit		FY 1990	FY 1991		FY 1992		FY 1993		TOTAL
	Cost	Total PM		Unit	Cost	Unit	Cost	Unit	Cost	
<b>I. HEAD OFFICE BACKSTOP SALARY</b>										
Project Director	50,000	mo 14	4 200,000	4 220,000	3 181,500	2.50 166,375				767,875
<b>II. PROJECT STAFF SALARY</b>										
1. Director Marketing	40,000	mo 14	4 160,000	4 176,000	3 145,200	3 159,720				640,920
2. Manager	20,000	mo 66	18 360,000	24 528,000	12 290,400	12 320,809				1,499,209
3. Accountant	8,000	mo 20	2 16,000	6 52,800	6 58,080	6 68,888				195,768
4. Office Assistant	4,000	mo 45	9 36,000	12 52,800	12 58,080	12 65,888				212,768
5. Stenographer	5,000	mo 45	9 45,000	12 66,000	12 72,600	12 79,860				263,460
Sub-Total Staff Salary (II)!		190	42 617,000	58 875,600	45 624,360	45 695,165				2,812,125
TOTAL SALARIES (I+II)		204	817,000	62 1,095,600	48 805,860	48 861,540				3,580,000
III. TRAVEL COST			223,000	152,000	174,000	51,000				600,000
IV. RESEARCH & OTHER DIRECT COSTS			400,000	70,000	100,000	50,000				620,000
GRAND TOTAL (I+II+III+IV) Rs. !			1,440,000	1,317,600	1,079,860	962,540				4,800,000 <u>a/</u>
TOTAL U.S. DOLLARS a/			72,000	65,880	53,993	48,127				240,000 <u>b/</u>

a/ Rate of Conversion: Rs.20 = \$1

b/ \$240,000 is included under Contingency in the PP budget estimates as the ceiling for Technical Assistance under PC-1 has been reached.

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File: SACTNGCN  
SAC Project  
Date: June 29, 1989

TRAINING AND COMMODITIES  
PHASE II ONLY  
(U.S. Dols in 000)

Category of Expenses	Unit Cost	FY 1990		FY 1991		FY 1992		FY 1993		Total	
		Unit	Cost	Unit	Cost	Unit	Cost	Unit	Cost	Cost	
<b>I. TRAINING</b>											
<b>a. Third Country (Observation)</b>											
Travel (Roundtrip)	2,000	0	0	5	10,500	5	11,025	5	11,577	15	33,102
Boarding/Lodging/Misc.Exp.	2,230	0	0	5	13,500	5	11,975	5	11,424	15	36,898
<b>TOTAL TRAINING</b>			0		24,000		23,000		23,001		70,000
<b>2. COMMODITIES</b>											
<b>Condoms</b>											
a. Cost @ \$50,000/million	50,000	0	0	58	2,900,000	75	3,750,000	80	4,000,000	213	10,650,000
b. GSA Handling Charges		0	0	0	174,000	0	225,000	0	240,000	0	639,000
<b>Total</b>		0	0	58	3,074,000	75	3,975,000	80	4,240,000	213	11,289,000
Inflation Approx. 20%		0	0		616,000		795,000		850,000		2,261,000
<b>Sub-Total Condoms</b>			0		3,690,000		4,770,000		5,090,000		13,550,000
<b>Oral Pills</b>											
a. Cost @ \$26/1000 MC	260	300	78,000	400	104,000	500	130,000	600	156,000	1,800	468,000
b. GSA Handling Charges			7,000		6,000		10,000		9,000		32,000
<b>Sub-Total Oral Pills</b>			85,000		110,000	500	140,000		165,000		500,000
<b>Vehicles</b>											
a. Suzuki Cars	9,000	0	0	2	19,845	0	0	0	0	2	19,845
b. Delivery Vans	5,500	0	0	0	0	2	12,734	2	13,371	4	26,104
c. Motorcycles, 125cc	1,500	10	15,000	0	0	10	17,364	10	21,687	30	54,051
<b>Sub-Total Vehicles</b>			15,000		19,845		30,098		35,057		100,000
<b>TOTAL COMMODITIES</b>			100,000		3,819,845		4,940,098		5,290,057		14,150,000

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File: SUNSMC4  
SNC Project  
Date: July 03, 1989

OTHER COSTS  
CONDON MARKETING CONTRACT  
PHASE II ONLY

(U.S. Dols.in 000)

Expense Category	FY 1990	FY 1991	FY 1992	FY 1993	TOTAL
<b>CONDON MARKETING FIRM</b>					
1. Personnel Compensation	2,300	2,645	3,042	3,498	11,485
2. Advertising	9000	10,350	11,903	13,688	44,940
3. Research	2,000	2,300	2,645	3,042	9,987
4. Seminar	400	460	529	608	1,997
5. Packaging & Printing	4,000	4,600	5,290	6,084	19,974
6. Vehicles: Car Lease	500	575	661	760	2,497
7. PDL and Maintenance	1,500	1,725	1,984	2,281	7,490
8. Part-Time Staff	0	0	0	0	0
a. Manager's Salary	1,000	1,150	1,323	1,521	4,993
b. Executive Travel	460	529	608	700	2,297
c. Factory Labor	900	1,035	1,190	1,369	4,494
d. Factory Overhead	650	748	860	989	3,246
9. Freight	200	230	265	304	999
10. Tel. Telex & Postage	160	184	212	243	799
11. Professional Fees	80	92	106	122	399
12. Commission	3,100	3,565	4,100	4,715	15,479
13. Rent	450	518	595	684	2,247
<b>Total: (000) Rs.</b>	<b>26,700</b>	<b>30,705</b>	<b>35,311</b>	<b>40,607</b>	<b>133,323</b>
Dols. @Rs.20=1\$	1,335	1,535	1,766	2,030	6,666
Available from Phase I	1,335	1,331	0	0	0
<b>NET REQUIRED</b>	<b>0</b>	<b>204</b>	<b>1,766</b>	<b>2,030</b>	<b>4,000</b>

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**OTHER COSTS**  
**ORAL CONTRACEPTIVES (OC) SOCIAL MARKETING**  
**(FIGURES IN 000)**

		1990 000 Rs.	1991 000 Rs.	1992 000 Rs.	1993 000 Rs.	TOTAL 000 Rs.
	<u>OC Marketing Firm</u>					
1.	Trg. of Med. Reps./Detailmen	300	550	300	100	1,250
2.	Trg. & Trg. Material for Pharmacists	40	35	25	10	110
3.	<u>Promotional Activities</u>					
a.	Doctors: Pamphlets	65	50	15	10	140
b.	Doctors: Reminder Leaflets	33	50	25	20	128
c.	Doctors: Symposia	2,000	2,000	2,000	2,000	8,000
d.	Chemists: Leaflets	32	50	25	25	132
e.	Consumers: IEC Leaflets	20	20	20	15	75
4.	Incentives: Samples/Give-aways	410	515	400	300	1,625
5.	Doctors Prescription Pads.	100	70	50	20	240
6.	Development of Logo	100	0	0	0	100
7.	Generic Advertising	2,300	2,300	2,100	2,100	8,800
	TOTAL: (000 Rs. )	5,400	5,640	4,960	4,600	20,600
	(000 Dols.)	270	282	248	230	1,030

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OTHER COSTS  
RESEARCH  
(FIGURES IN '000)

1990:

1. Oral Contraceptives Consumer Survey	1,000	
2. Condom Retail Shop Audit	500	
3. Focus Group Study on Recall and perceptions of Sathi Advertising	100	
4. Condom Consumer Intercept Study (on experimental scale)	200	
5. Survey on Sathi Distribution among Woodward Card Outlets	200	
	<u>TOTAL: Rs.</u>	<u>2,000</u> <u>\$100</u>

1991:

1. O.C. Market Research	500	
2. National KAP Study (Repeat of 1986 Survey)	1,000	
3. Rural Distribution and Media Penetration Study	200	
4. Retail Shop Audit for Condoms and Orals	300	
	<u>TOTAL: Rs.</u>	<u>2,000</u> <u>\$100</u>

1992:

1. O.C. IEC Impact Research	300	
2. O.C. Generic Advertising Impact Survey among Doctors, Pharmacists and Consumers	600	
3. O.C. Market Research	300	
4. Distribution Survey Condoms and Orals	500	
5. Retail Shop Audit - Condoms and Orals	300	
	<u>TOTAL: Rs.</u>	<u>2,000</u> <u>\$100</u>
	<u>GRAND TOTAL: Rs.</u>	<u>6,000</u> <u>\$300</u>