PAN AMERICAN SOCIAL MARKETING ORGANIZATION

ENHANCING CENTRAL AMERICAN CAPACITY TO RESPOND TO THE HIV/AIDS CRISIS THROUGH SOCIAL MARKETING

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END OF PROJECT REPORT 1996-2002

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I. Executive Summary

In 1996, Population Services International (PSI) entered into a seven year Cooperative Agreement with the United States Agency for International Development (USAID) G-CAP to implement a condom social marketing program to enhance Central American capacity to respond to the HIV/AIDS crisis. PSI established the Pan American Social Marketing Organization (PASMO) in order to make essential health products affordable and accessible to low-income populations in Central America. Social marketing, as practised by PASMO, involves making essential health products and services accessible and motivating people to use them through mass media and interpersonal communication. It also includes comprehensive behaviour change communication (BCC) campaigns that target related healthy behaviours. Social marketing programs have a multi-sectoral approach that forges partnerships with the private/commercial, NGO, and the public sectors.

In the initial years, PASMO concentrated on establishing institutional infrastructure, launching Vive condoms, and as per the original project design, on developing cross-subsidy products, condom sales and increasing revenues. By the end of 1998 PASMO had successfully established the basic organization and launched Vive in most markets, however, it was clear that important assumptions, principally the ability of Profamilia/Costa Rica to transfer skills on this model to other Central American countries, were not meeting expectations. This, in turn, was hindering the achievement of the broader goal of health impact in HIV prevention.

Given the concentrated nature of the epidemic in Central America, lessons learnt at PASMO, and recent publications of best practises at the time, such as the World Bank's "Confronting AIDS", the project was redesigned in 1998 and 1999, to focus resources on achieving maximum health impact, for which a new targeted BCC strategy was developed. The two principal target groups were identified as Men Who Have Sex With Men (MSM) and Commercial Sex Workers (CSW). In addition, uniformed men, mobile populations, clients of CSW, Garifuna and People Living With AIDS (PLWA) were included. Finally, a goal of establishing a social norm for condom use, by targeting youth, was also added to the project design.

PASMO also developed a strategic framework of sustainability that puts sustaining the maximization of health impact as the highest goal and achieving this goal while also developing local institutional capacity, diversifying income sources (including donors), launching new products, and increasing revenues/cutting costs. It is expected that keeping in mind the reality of the development context, these strategies are most likely to sustain the maximization of health impact.

In order to maximize health impact, between 1999 and 2001 PASMO developed, tested and re-designed a number of successful BCC modules with different high risk groups, including Loteria and Vive La Vida. PASMO also developed partnerships with over 40 NGOs for the implementation of the BCC campaign and condom distribution in high risk outlets. BCC implementation with independent consultants was also initiated. A generic campaign targeting youth was also launched in 2001. KAP results from the 2000 survey showed that amongst CSW, safer sex behaviours were being adopted, with statistically significant increases in condom use with clients. At the same time, condom use with long-term partners for CSW participating in PASMO activities also showed a significant increase compared to non-participants. MSM

continued to show high risk behaviour. At the same time those MSM that had participated in PASMO activities, showed statistically significant improvement in condom use (from 73% to 83%) and other safer sex behaviours such as fewer partners and knowledge of correct condom use.

In addition, PASMO had launched Vive condoms in all seven markets by 2000 and developed distribution agreements in every country. An affordable, high quality condom that is increasingly more accessible is now available throughout Central America. The distribution surveys conducted by market research firms show that availability of condoms in high risk outlets has increased substantially in all surveyed countries. Sales of Vive condoms had increased from approximately 2 million in 1999 to over 4 million in 2001. At the same time, projections from distribution surveys indicate that the total commercial market in Central America grew in the same period from 11 million to over 21 million condoms per year. The generic campaigns of PASMO, the entry of new commercial brands, and greater competition have allowed consumers to benefit at the same time as growing the total market for condoms.

Financial sustainability remains an important priority and PASMO also launched two new condom brands early in 2002 – Vive Colors and Vive Max. All commodity costs are already fully recovered through revenues, which have been increasing with sales growth. And it is expected that by 2006 (the end of the next phase) all condom marketing costs will also be fully covered by revenues. PASMO also diversified its funding base, raising funds from the bilateral missions in Honduras and El Salvador, from British DFID, several American foundations and Canadian CIDA.

In 2002, USAID launched its new global HIV/AIDS strategy. In light of this new strategy, recent results from the KAP survey and a MEASURE Project evaluation of the regional HIV projects, it has been decided to terminate the cooperative agreement early and to build on the achievements and infrastructure that have been developed, to achieve the new goal of controlling and containing the HIV/AIDS epidemic in Central America.

While PASMO has achieved most of its objectives to help establish social marketing capacity in Central America for HIV prevention, there is much left to do to control and contain the epidemic. The BCC campaign needs to be scaled up and refined to include other behaviours important to HIV transmission. While the condom market has shown remarkable growth, overall condom use and the condom market remain small in comparison to the region's population and in comparison to other regions. Achieving financial sustainability for condom marketing operations will be critical in future years, and PASMO has now put in place a strategy to achieve full financial sustainability for condom marketing by 2006. Behaviour change and educational activities have no revenue stream and are, therefore, not expected to be financially sustainable, however, the local institutional capacity to sustain this health impact will be fully developed.

As the current cooperative agreement comes to an end, we are optimistic that the work done in these years and the increasing momentum in the area of HIV prevention in Central America, will allow the new phase to achieve the objectives set in the area of social marketing and behaviour change.

I. Project Background

PSI was awarded the regional condom social marketing project by USAID G-CAP at the end of 1996, to contribute to the overall Strategic Objective (SO) of "Enhancing Central American capacity to respond to the HIV crisis". The specific Intermediate Result (IR) for PSI was to establish an "Effective Regional HIV/AIDS Condom Social Marketing Program**".**

In 1997 PSI helped establish PASMO as a non-profit association in Guatemala. In order to undertake marketing and sales activities, Associacion PASMO also incorporated subsidiary companies (Sociedad Anonimas i.e.PASMO S.A.) in all countries in the region, with the exception of Belize, by the end of project (Belizean incorporation expected to be completed by the end of 2002). The legal and bureaucratic processes to establish legal entities and register products and brands was a task that had been assumed would be far easier while operating within the Central America region, however, this required a significant effort within each country to meet the requirements of each country's laws. Today, these organizations are staffed with well-trained personnel and have established systems to coordinate, implement and develop further capacity in the region for both condom marketing and behaviour change activities.

In its early years, PASMO's Executive Director, who also served as the Executive Director of Profamilia/Costa Rica, attempted to replicate their model for achieving financial sustainability in the other Central American countries. By the end of 1998 it became clear that some of the basic assumptions to this model were invalid – most importantly the contacts that had permitted aggressive revenue generation in Costa Rica were not available in other Central American countries and the willingness or ability to transfer these skills was not available. In addition, there were some delays in starting PASMO operations in a few countries and the plans for bilateral missions to cut or significantly reduce funding or product subsidies to other condom social marketing organizations did not take place at the expected level.

Frequent and honest discussions with USAID/G-CAP throughout the project led to an analysis of the lessons learned and in 1998/99, PSI/PASMO and USAID redesigned the project by giving greatest priority to creating greater health impact through BCC with high risk groups and increased condom use and availability of affordable condoms. For PASMO, the original SO level indicator had been defined as "the number of project-branded condoms sold". This indicator was limited in that information on the type of consumer was non-existent and it was not possible to determine whether the sold condoms were reaching important target groups in the fight against AIDS. Also, it was perhaps more important to consider the overall condom market, rather than just project-branded condoms. After two years into the project, it was deemed inappropriate to solely consider the cost-effectiveness of pursuing sales goals (as well as other indicators such as financial sustainability) instead of concentrating on reducing the gaps between knowledge and behaviour and in condom accessibility. The priority of PASMO's redesigned HIV/AIDS prevention project became reaching populations most at risk of contracting and spreading HIV/AIDS (as defined by the World Bank Report "Confronting AIDS – Public Priorities in a Global Epidemic") and motivating these groups to adopt healthier behaviors. The overall Strategic Objective being to "Enhance Central American capacity to respond to the HIV/AIDS crisis", PASMO's specific Intermediate Results was re-defined as "Establish an effective regional HIV/AIDS Condom Social Marketing Program", with the following sub-IR's:

1. Decrease in percent of high risk population reporting high risk sexual activity.
2. Increase condom use among target population (high risk groups).

3. Increase accessibility to affordable condoms measured by increasing the percent of high risk outlets in high risk urban areas carrying condoms.
4. Increased safer sexual activity among target population measured through the percent of target population that can demonstrate correct condom use.
5. Percent of target population reporting increased self-efficacy in condom use.

For targets and results, please see later sections. It should be noted that work on many of these indicator was begun in 1999 after the re-design and the 2000 KAP survey occurred soon after, whereas reaching scale and changing behaviours is a longer process. It is expected that the 2003 KAP will show even greater positive changes.

PASMO also developed a strategic framework of sustainability that puts sustaining the maximization of health impact as the highest goal and achieving this goal while also developing local institutional capacity, diversifying income sources (including donors), launching new products, and increasing revenues/cutting costs. It is expected that keeping in mind the reality of the development context, these strategies are most likely to sustain the maximization of health impact.

By providing motivation through its interpersonal BCC campaign, PASMO expects to change make the behavior of priority target group safer, including those of commercial sex workers (CSW), men who have sex with men (MSM), mobile populations, truck drivers, uniformed men, migrant laborers and Garifuna. PASMO also ran a generic mass media campaign targeting youth and promoting a social norm for condom use.

In 1999, PASMO used PSI's behavior change framework to develop a new mass media and IEC strategy that targeted the project's emphasis on changing behavior and targeting high-risk groups. Because many of the groups that PASMO targets are difficult to reach through traditional condom outlets, the project also works in high-risk locations or with NGOs that work directly with these groups. Specific examples include gay bars, border crossings, truck stops, brothels, red light districts and NGOs working with CSWs, MSM and uniformed men. PASMO also developed training models and IEC materials for high-risk groups. The models and materials are implemented through inter-personal activities that build IEC capacity within NGOs working to promote correct and consistent condom use by high-risk groups.

Up to the end of project, PASMO had implemented over 6,000 BCC activities, and sold over 13 million condoms. To destigmatize condoms, PASMO developed a mascot called Perinollo, a friendly character based on an animated condom. Perniollo was incorporated into an animated condom demonstration video and proved to be so popular that PASMO developed Disney like costumes of the mascot for use with youth and in promotional and other BCC events.

Not only were BCC activities with the target populations conducted, but efforts were also made to reach other important groups such as People Living With AIDS (PLWA), youth and prisoners. In 2001, PASMO collaborated with NGOs to implement over 50 activities with PLWA. In Honduras, PASMO launched a pilot project that encourages youth to delay their first sexual relation, take responsibility for their actions, and to practice fidelity and consistent condom use with partners. And despite the challenges of obtaining collaboration from prison authorities,

PASMO has implemented several activities with this population as well as working with spouses of inmates during visiting days.

In support of targeted inter-personal communication modules, PASMO developed several mass media campaigns, which have included radio and TV spots, print placement, posters and jingles. Four generic and two brand spots for television, as well as six generic and two brand spots for radio were developed on the theme "Do you really know your partner? It´s better to always use a condom". In 2001, PASMO developed and broadcasted a generic behavior change campaign on risk perception and improving the condom negotiation dynamics, particularly by empowering women with a positive message on condom use, "We will use condoms because we care about ourselves and our relationship". Both types of advertising and promotion have proved effective in furthering the goal of creating a social norm for condom use. PASMO has also developed several different distribution channels – NGOs, own staff, and commercial distributors to improve condom availability and in general has maintained the lowest prices of all condoms in the region.

During the life of the project, PASMO conducted two KAP (Knowledge, Attitude and Practice) research surveys.. The KAP survey is the data source for measuring progress on the SO-level indicator, "percent of target population reporting using a condom in the last sex act." It is also the data source for IR-level indicators 3.2 (percent of the target population that can demonstrate correct condom use), IR 3.3 (percent of target population reporting high-risk sexual activity) and IR 3.4 (percent of target population reporting increased self-efficacy in condom use). A baseline KAP was conducted in 1997 to determine knowledge of HIV/AIDS issues as well as prevention and self-assessment practices amongst MSM and CSWs. In 2000, the follow-up KAP was executed. Despite having been conducted only a year after full implementation of PASMO activities, it revealed important trends useful in guiding future activities. A comparison between the two KAPs revealed statistically significant improvements in preventive behavior for CSW (particularly in consistent condom use with clients). Mixed results were found among MSM, with some risky sexual behavior decreasing (unprotected penetration by other men) and others (bi-sexuality and unprotected anal sex with women) showing a negative trend. However, the overall results did show that positive behavior change results were obtained with both groups that participated in PASMO activities. Based on this 2000 data, PASMO refined its messages and scaled up its activities to reach more people in high-risk groups and more frequently. PASMO also refined its messages, incorporating messages on partner reduction, increased use of lubricants and increasing risk perception for unprotected anal sex.

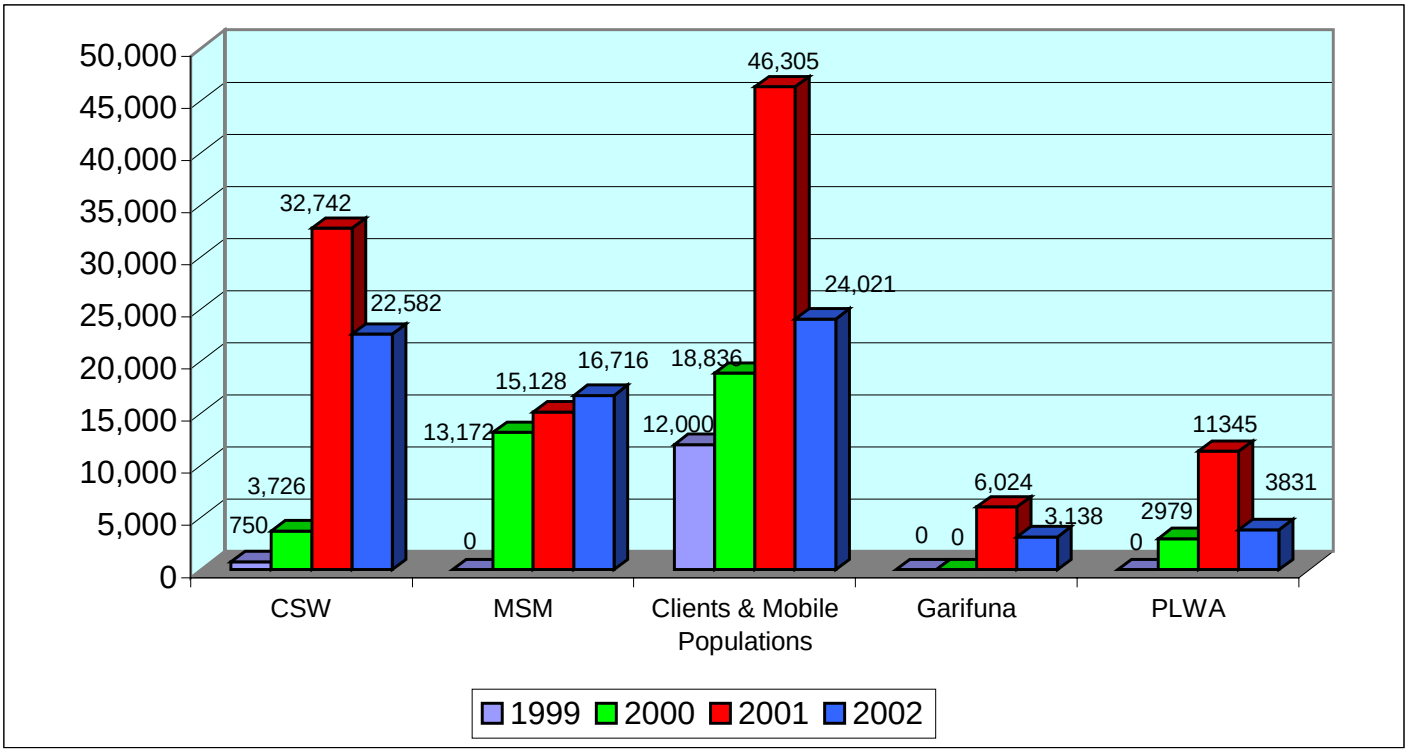
Since 1999, PASMO has also conducted an annual distribution survey that tracks IR 3.1 on percent of high risk outlets stocking condoms. Equally important, data from the surveys allows for projections on total market growth. In all surveyed countries, availability in high risk outlets has shown steady increase, and the total condom market is estimated to have doubled between 1999 and 2001.

II. Behavior Change Communication

The principal behaviour change that PASMO has focussed on is correct and consistent condom use and increased risk perception amongst six principal high risk groups:

a) Men Who Have Sex With Men (MSM)
b) Commercial Sex Workers (CSW)
c) Clients of CSW and mobile populations
d) People Living with HIV/AIDS (PLWA)
e) Garifuna
f) Youth (mass media only)

Provided below is a graph that shows activities by year (2002 numbers for the period January to July only).



BCC activities by High-Risk Groups

Activities with CSW and their clients have been the easiest to organize – both through NGOs and for PASMO. The attention received by this group is hypothesized as one reason why the KAP survey results, and prevalence data from the multi-site survey, indicate that risky sexual activity has declined and prevalence, in general, has not increased. The groups that require the greatest effort for expanded reach are MSM and Garifuna, with whom activities have been limited and behavioural data suggests that risks are high, while prevalence seems to be increasing, at least amongst MSM (there has been no recent survey amongst Garifuna).

PASMO has successfully developed and tested a number of BCC modules for various groups, and based on feedback and research refined the most successful modules for scaling up implementation following 2002. PASMO activities with the high-risk groups shown in the previous table included the following modules:

Type of Activity	1999	2000	2001	*2002	TOTAL
Workshop	0	77	466	245	788
Kiosk	3	42	177	58	280
Loteria	0	0	206	2,192	2,398
Noche Vive	9	169	366	385	929
Outreach	32	79	18	853	982
Interpersonal Communication	26	291	256	0	573
Vive la Vida	0	0	39	174	213

Perhaps the most successful module has been VIVE Loteria, which allows the project to educate commercial sex workers and their clients in an entertaining format. VIVE Loteria was developed as a way of providing quick, entertaining information on STIs, HIV/AIDS prevention and correct condom use to the clients of CSWs – truckers, migrant workers and uniformed men. Due to the appealing nature of the activity, and its success in promoting STD risk-perception, it was expanded to all target groups. VIVE Loteria is an adapted verion of the traditional Loteria that is played in county fairs and community activities throughout Central America. The game is similar to bingo but uses traditional drawings rather than numbers or letters. VIVE Loteria uses traditional drawings and includes pictures of STIs, condoms, and HIV/AIDS prevention messages. PASMO promoters initiate the game in areas where men congregate for periods of time, such as borders, truck stops, military bases, bars and cantinas. Up to 25 participants can play in one round. Each card has a funny and entertaining message or question related to the photo to increase participation from the audience. Periodic breaks are introduced to allow participants to give a correct condom demonstration.

PASMO was initially surprised at the level of popularity of VIVE Loteria. Some promoters had difficulties ending the game and observers often volunteered to pay to play. Other promoters were approached by participants for advice and information about STI symptoms. As a result, PASMO started to require that all promoters conducting the game first identify the nearest STI clinic to refer people with additional questions and/or concerns.

Other modules include Vive la Vida Loca, Noche Vive, Charlas, the VIVEMovil and Perinollo. Vive la Vida Loca is designed to present HIV/AIDS prevention, correct condom use and risk reduction information to MSMs in an entertaining format and is based on the "Tupperware party" methodology. Originally the parties were to be held in the homes of invitees but PSMO soon found that most MSM are closeted and live with their families. The promoters identified "gay friendly or safe" bars and cantinas to hold the events. Invitations are sent to about ten MSM per event and asks them to bring a male friend. PASMO and the promoters adapted games like Twister, Toss the ring, Jeopardy and initiated dance contests that incorporate key messages on risk reduction and correct condom demonstrations. Some of the Vive la Vida Loca parties also use commercial videos to discuss risk reduction issues. These parties have been successful in gathering the target population and, in many cases, more people have participated than were originally invited to the parties. The initial evaluation showed that more than 40% of the participants were MSM who do not self-identify as gay or bi-sexual and would normally not be reached by other activities or at gay bars. Participants have stated that they want more information about STIs and risk issues regarding female partners. An evaluation of the activity determined that 75% of participants could correctly demonstrate condom use.

Noche Vive is an activity for CSWs that incorporates condom demonstrations, dance contests and Jeopardy type question and answer games into an evening of entertainment at bars, cantinas, and other places where CSWs work. Promoters work with CSWs to convince their clients to participate in the condom demonstrations and thus win promotional items as prizes. While there is no data available for the clients of CSWs who participated in such events, the difference in condom use by the participating CSWs and those that did not participate is significant (as measured by the KAP).

PASMO coordinated Charlas (talks) through a variety of NGOs working with CSWs, as well as through consultants and PASMO promoters. A "charla" is a one-on-one activity with a CSW or MSM who often does not have time for a longer discussion. This module addresses issues related to risk perception and consistent and correct condom use. PASMO integrated messages pertaining to self-efficacy and is putting greater emphasis on the importance of consistent condom use, including with long-term partners and healthy looking clients of CSW.

The VIVEMovil is a mobile unit with a sound system and VIVE advertising on the side that is used by PASMO promoters to carry out street corner activities in high-risk zones and simultaneously encourage nearby outlets to stock condoms. The VIVEMovil has been successful in increasing condom accessibility in non-traditional outlets as well as in diffusing messages about correct and consistent condom use.

One of PASMO's strategies has been to develop local capacity to implement social marketing for HIV prevention. In order to achieve this goal, over the life of the project, PASMO has provided training to over XXX NGO workers from over XX different organizations. The training includes both, methodologies for motivating correct and consistent condom use, as well as condom sales training.

While PASMO has signed BCC and Distribution Agreements with over XX NGOs located in all the countries of Central America, sales through NGOs have been weak. Activity implementation

has also been difficult to achieve as per PASMO guidelines. In fact, all the NGOs combined implemented only half of the activities, with the balance being implemented by only a handful of staff and consultants working directly for PASMO. Many NGOs have differing priorities and sometimes they do not wish to integrate PASMO modules or work with certain high risk groups. Nevertheless, a mix of strategies has allowed PASMO to continue to expand its work on the ground.

In terms of impact of these activities the 2000 KAP showed mixed results with significant improvements amongst CSW and some riskier behaviour amongst MSM. A more in-depth analysis of the survey was conducted in 2002 and findings show that even amongst MSM, those who had participated in PASMO activities showed less risky behaviours. In terms of the contract indicators, the BCC activities are expected to directly influence two indicators:

Indicator 3.2 Percentage of target population knowledgeable of correct condom use.

Indicator 3.3 Percentage of target population reporting always using a condom with casual partner(s).

These results on these indicators and some related data, from the KAP are provided in summary form below:

Percent of MSM and CSWs Correctly Demonstrating all Condom Skills

Population	**1999**	**2000**	**2003**
	Baseline	Actual	Planned
MSM	75%	75%	79%
CSW	61%	65%	69%

Percent of MSM and CSWs Reporting Using a Condom in the Last Sex Act

Population	**1997 (Baseline)**	**2000**	**2003**
Percent of MSM using condoms with:			
Stable male partner	53%	49%	54%
Sporadic male partner	61%	62%	68%
All male partners	36%	33%	36%
All partners (male & female)	24%	25%	28%
Percent of CSWs using condoms with:			
Regular clients	83%	93%	94%
Non-regular clients	91%	96%	97%
Regular partners/spouse/free union	27%	21%	27%

All clients	71%	77%	81%

Percent of MSM and CSWs Reporting High-Risk Sexual Activity

Percent of MSM reporting	**1997 (Baseline)**	**2000**	**2003**
Penetrated a man in last 12 months without a condom	31%	32%	28%
Penetrated by a man in last 12 months without a condom	33%	28%	25%
Vaginal sex in last 12 months without a condom	21%	23%	21%
Anal sex with a woman in last 12 months without a condom	7%	9%	8%
Oral sex in last 12 months without a condom	27%	26%	24%
Percent of CSWs using condoms with:			
Vaginal sex in last month without condoms	58%	37%	34%
Anal sex in last month without condoms	8%	8%	7%
Oral sex in last month without condoms	7%	9%	8%

In addition to the information provided by the KAP on these high risk groups as a whole, detailed analysis was done to determine any differences in behaviour amongst those who participated in PASMO activities and those who did not. The questionnaire does not allow the determination of the date of participation and behaviour change and there is also the possibility of self-selection with regards to those participating in PASMO activities. These issues will be overcome in the 2003 KAP, however, data from the 2000 KAP shows interesting findings that are provided below:

Condom Use at Last Sex

	Participants	Non-Participants
Used a condom at last sex with regular male partner	80.2%	69.9%
Used a condom at last sex with non-regular male partner	88.8%	78.3%
Used a condom at last sex with non-regular female partner	84.2%	66.5%

These results, as well as the general KAP data, have been encouraging and PASMO has used this information to scale up operations and significantly improve results. As a result of a change in the overall USAID strategy globally, both programmatically and contractually, the project now works with the regional office to develop new indicators that take into account recent research that indicates the importance of partner reduction and unprotected anal sex on the transmission of the epidemic.

III. Marketing and Sales

Intermediate Result 3 Effective Regional HIV/AIDS Condom Social Marketing Program

The PASMO project in Central America was created in 1996 to contribute to the Strategic Objective of strengthening local capacity to respond to the HIV/AIDS epidemic, and specifically to achieve the intermediate result above. A project re-design in 1998 added the important component of behaviour change for high-risk groups.

Initial project activities included conducting market research to determine attitudes and preferences among target consumers and resolving product registration difficulties. PASMO developed and successfully launched the VIVE brand of condoms in four countries by the end of 1997 and in all seven countries of Central America by 2000. PASMO appointed commercial distributors in each country and also works either directly or with NGOs to create greater access in non-traditional outlets such as shops, bars and brothels.

PASMO has conducted distribution surveys annually since 1999 among a random sample of commercial outlets segregated into traditional and non-traditional sales outlets and clinics. There are four sentinel sites in each participating country and a local market research company conducted the survey in 1999 and 2000 in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama. In 2002, the study will exclude Costa Rica but include Belize. The survey sites were selected based on highest seroprevalence and commercial sectors. The surveys determined the percent of outlets selling condoms by brand name, prices, store hours and reasons for not selling condoms. These surveys are the data source for IR3: "establish an effective regional HIV/AIDS condom social marketing program".

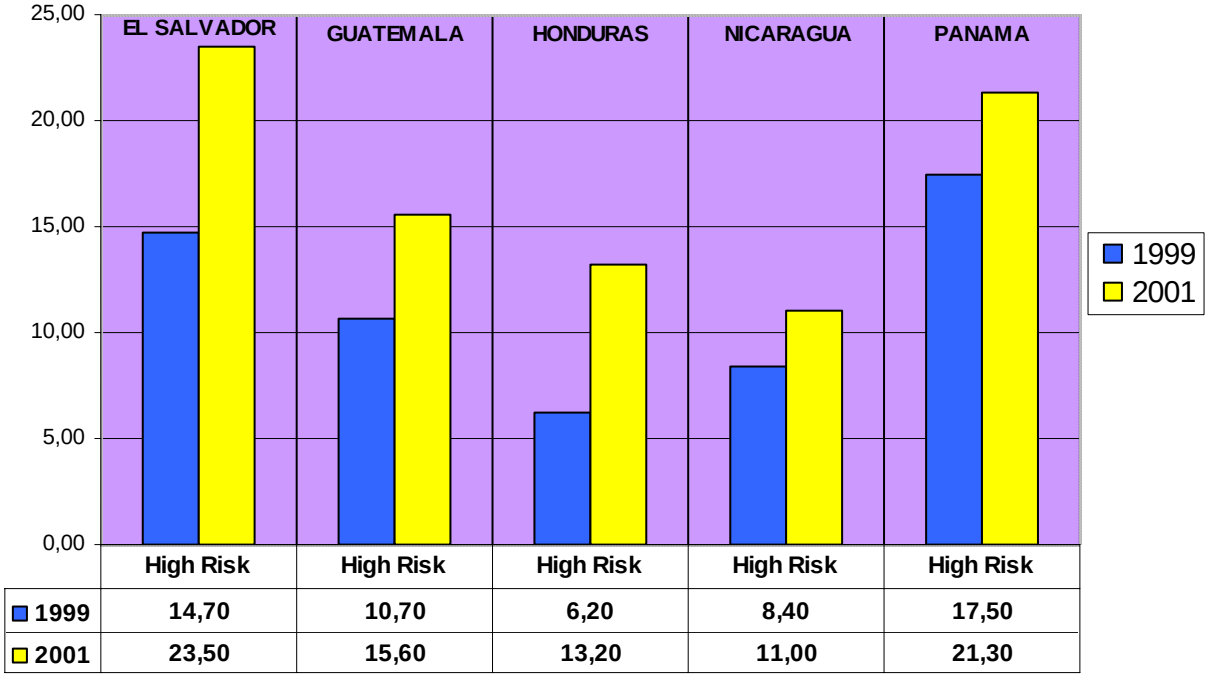
PASMO's strategy has been to increase the availability and accessibility to condoms in high-risk zones and in particular, non-traditional outlets, despite reported purchasing preferences for buying condoms from pharmacies. The primary reason for this is that pharmacies are usually closed in the evenings when most of the higher risk sexual behaviour occurs. In addition, the network of pharmacies in more limited than either commercial outlets (such as grocery stores, supermarkets, convenience stores, gas stations) or high-risk outlets (such as bars, nightclubs, motels, brothels and discos) that could potentially be more convenient for sales points for high-risk groups.

Indicator 3.1 Percent of high risk outlets in high risk urban areas carrying affordable condoms

One of the major goals of PASMO is to make condoms more easily accessible in non-pharmacy outlets. Sales data from conducted distribution surveys indicated that the high risk sector has shown steady increase in availability and sales. PASMO has been successful in making VIVE the brand increasingly available in high-risk outlets throughout the region, although there is still considerable potential for growth.

Over the life of the project, PASMO has experienced a high turnover with regard to commercial distributors for condoms in the region. PASMO has had to supplement the efforts of distributors particularly in order to expand distribution of condoms to high-risk outlets. PASMO has been more successful when dealing directly with outlets and consumers rather than going through commercial distributors and has focused its efforts on promoting mobiles and displays for use in outlets in an effort to help consumers get over their hesitancy in asking for condoms.

Graph 1: Percent of high risk outlets in high-risk urban areas carrying affordable condoms



	EL SALVADOR	GUATEMALA	HONDURAS	NICARAGUA	PANAMA
	High Risk	High Risk	High Risk	High Risk	High Risk
1999	14,70	10,70	6,20	8,40	17,50
2001	23,50	15,60	13,20	11,00	21,30

Availability in high risk outlets increased significantly across the board in all countries. Provided below are details of PASMO sales to various sectors:

Sales per Outlet - Guatemala

Type of Outlet	1997	1998	1999	2000	2001	*2002	Total Condoms
Pharmacy	0	206,208	413,928	651,168	893,520	454,776	2,619,600
High Risk/NGO	0	0	19,080	165,024	358,560	609,628	1,152,292
Commercial	0	0	5,256	45,432	83,232	71,560	205,480
TOTAL	**0**	**206,208**	**438,264**	**861,624**	**1,335,312**	**1,135,964**	**3,977,372**

Sales per outlet - El Salvador

Type of Outlet	1997	1998	1999	2000	2001	*2002	Total Condoms
Pharmacy	0	34,272	140,976	218,376	478,080	172,796	1,044,500
High Risk/NGO	0	0	0	16,488	370,368	47,864	434,720
Commercial	0	0	0	6,336	55,008	32,204	93,548
TOTAL	**0**	**34,272**	**140,976**	**241,200**	**903,456**	**252,864**	**1,572,768**

Sales per outlet – Costa Rica

Type of Outlet	1997	1998	1999	2000	2001	*2002	Total Condoms
Pharmacy	183,600	197,424	0	31,608	133,272	102,036	647,940
High Risk/NGO	0	0	0	15,120	0	0	15,120
Commercial	0	0	0	99,576	84,816	0	184,392
TOTAL	**183,600**	**197,424**	**0**	**146,304**	**218,088**	**102,036**	**847,452**

Sales per outlet – Belize

Type of Outlet	1997	1998	1999	2000	2001	*2002	Total Condoms
Pharmacy	0	25,632	40,032	72,648	47,736	32,212	218,260
High Risk/NGO	0	0	576	3,888	864	0	5,328
Commercial	0	0	16,560	19,152	5,400	0	41,112
TOTAL	**0**	**25,632**	**57,168**	**95,688**	**54,000**	**32,212**	**264,700**

Sales per outlet – Panama

Type of Outlet	1997	1998	1999	2000	2001	*2002	Total Condoms
Pharmacy	0	0	0	208,368	27,288	0	235,656
High Risk/NGO	0	0	0	792	2,376	0	3,168
Commercial	0	0	0	2,592	2,088	0	4,680
TOTAL	**0**	**0**	**0**	**211,752**	**31,752**	**0**	**243,504**

Sales per outlet – Honduras

Type of Outlet	1997	1998	1999	2000	2001	*2002	Total Condoms
Pharmacy	0	0	0	52,056	136,944	38,500	227,500
High Risk/NGO	0	0	0	1,584	137,664	356,204	495,452
Commercial	0	0	0	576	166,896	60,960	228,432
TOTAL	**0**	**0**	**0**	**54,216**	**441,504**	**455,664**	**951,384**

Sales per outlet – Nicaragua

Type of Outlet	1997	1998	1999	2000	2001	*2002	Total Condoms
Pharmacy	0	333,360	1,037,664	697,104	593,064	63,452	2,724,644
High Risk/NGO	0	0	124,200	272,736	180,000	1,404,936	1,981,872
Commercial	0	0	99,864	296,136	308,880	184,516	889,396
TOTAL	**0**	**333,360**	**1,261,728**	**1,265,976**	**1,081,944**	**1,652,904**	**5,595,912**

SUMMARY TABLE: Total project sales:

Country	1997	1998	1999	2000	2001	*2002	Total Condoms
	Condoms	Condoms	Condoms	Condoms	Condoms	Condoms	
Guatemala	0	206,208	438,264	861,624	1,335,312	1,135,964	3,977,372
El Salvador	0	34,272	140,976	241,200	903,456	252,864	1,572,768
Honduras	0	0	0	54,216	441,504	455,664	951,384
Nicaragua	0	333,360	1,261,728	1,265,976	1,081,944	1,652,904	5,595,912
Costa Rica	183,600	197,424	0	146,304	218,088	102,036	847,452
Panamá	0	0	0	211,752	31,752	-	243,504
Belize	0	25,632	57,168	95,688	54,000	32,212	264,700
TOTAL	**183,600**	**796,896**	**1,898,136**	**2,876,760**	**4,066,056**	**3,631,644**	**13,453,092**

* 2002 figures reflect January - July sales and include all brands (VIVE, VIVE Max and Colors).

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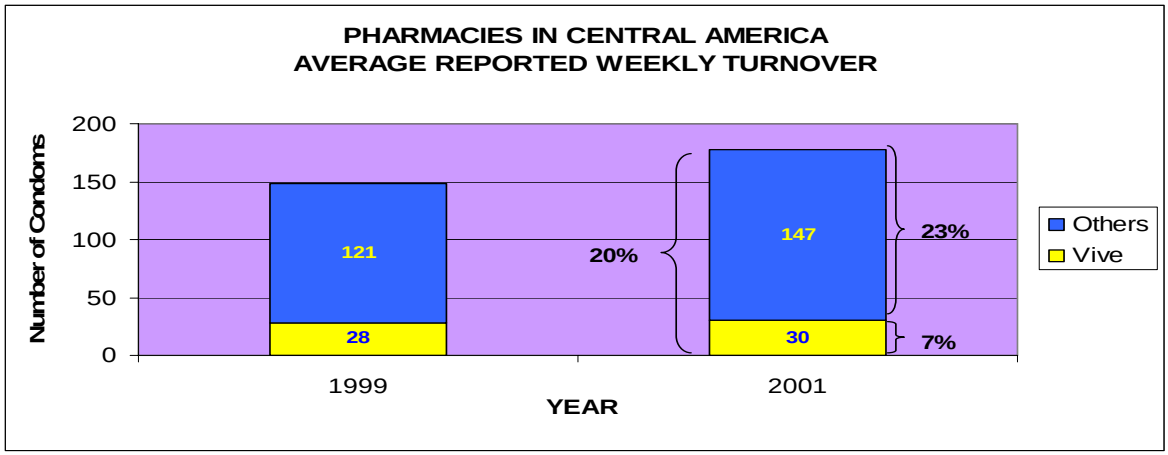
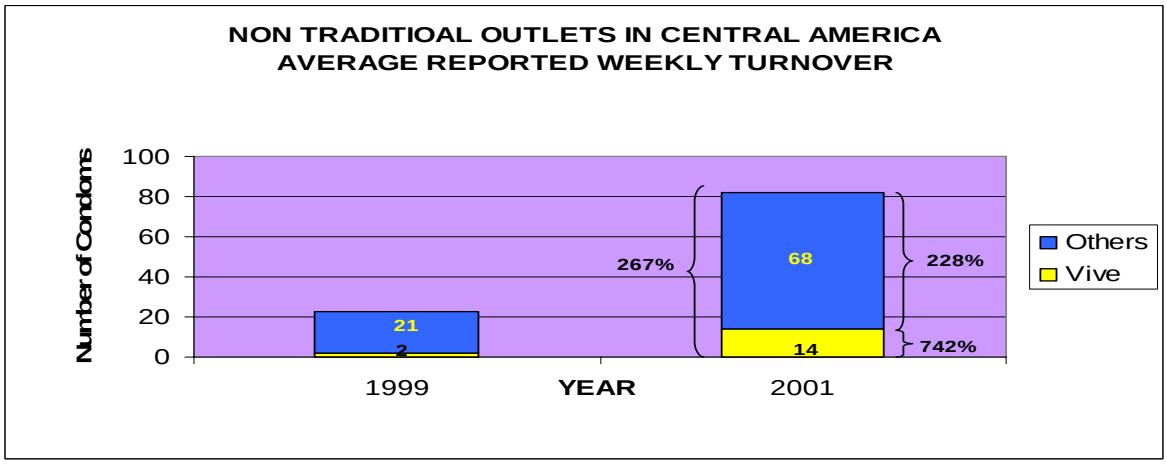
Sales by country show especially encouraging trends in Guatemala and Honduras, where the vast majority of HIV cases in Central America are to be found.. Due to the launch of Bodyguard in Nicaragua, Vive sales showed a small decline in the last year of the project. Sales in Belize have been hampered by the lack of interest from the local distributor, while bureaucratic hurdles for registration in Panama severely impacted sales and in fact, will not resume till late 2002 when the foil on the condoms is changed. The requirement to have the registration number printed on the foil is unique to Panama, however, PASMO ordered new condoms with the registration

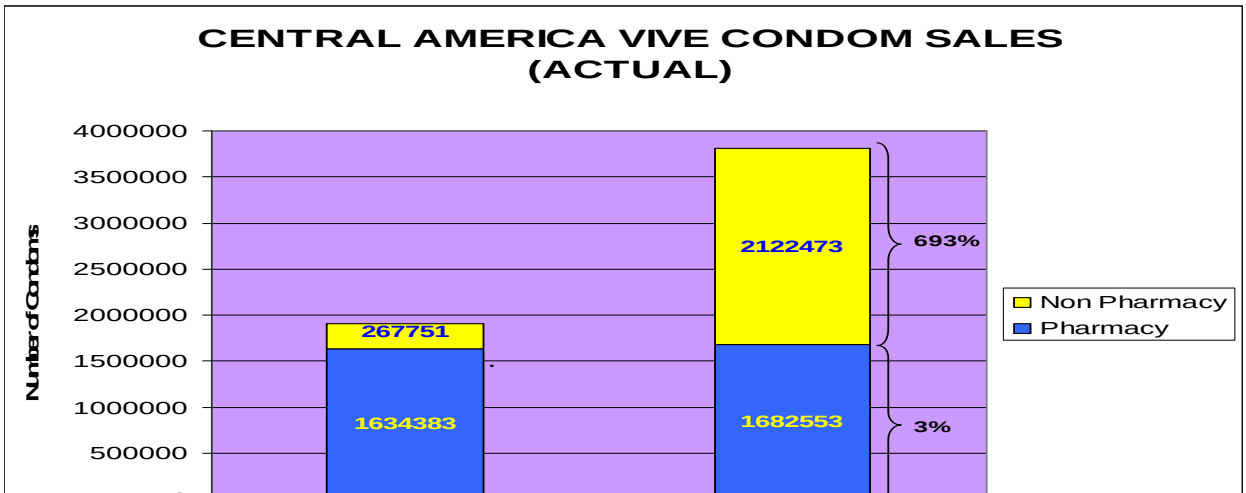
numbers of all countries (where registration is required) on the foil. Provide below are the country details and sales trends.

Distribution survey data is now available for three years and PASMO conducted an analysis of market growth. As can be seen in the graphs below, the bulk of market growth has come from the non-pharmacy sector, with sales growth of over 250% between 1999 and 2001, compared with only 20% growth in pharmacies.

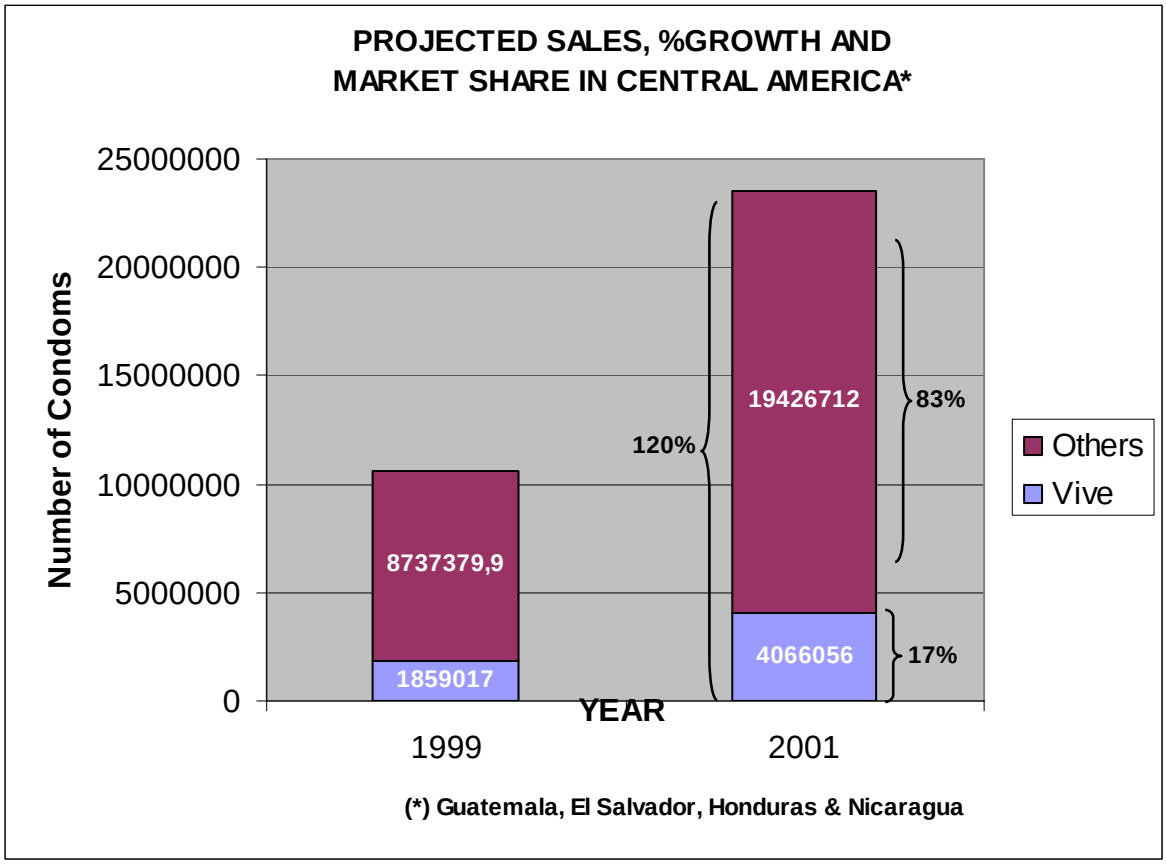




The sales increases in non-pharmacy outlets was even more impressive for PASMO sales, and while this sector accounted for a small fraction of sales in 1999, by 2001 the majority of sales were coming from this sector.



Projecting total market numbers from market share and actual Vive sales, the most encouraging data indicates that the condom market in Central America may have doubled during this same period. This is especially impressive given that all efforts up to 1999 indicated a total commercial market size of just over 10 million condoms, whereas this grew by the same amount, to over 23 million by 2001.



Although Vive sales more than doubled from 1999 to 2001, Vive market share remained stable at about 17%. This is because other brands, in total, showed a similar growth level, with total sales more than doubling during this period.

While condom sales are not a primary indicator, increased sales are seen as a proxy for increased use (and far more reliable and sustainable than free condom distribution). Assuming that free condom distribution is not stepped up through multilateral funding and other governmental sources, PASMO expects that the total condom market will continue this momentum and grow by an estimated 10 million condoms in the next three years again.

IV. Sustaining Health Impact

In Guatemala, PASMO is registered both as a Sociedad Anonima (the equivalent of a corporation) and as a not-for-profit NGO or Association. This provides PASMO with the flexibility to limit the mandate of the organization as a non-profit and to benefit from tax and duty exemptions, while allowing it to undertake direct sales. PASMO has also activated its Sociedad Anonima status in the other core countries in Central America.

In 2002, PASMO began decentralizing its operations by country level, in order to build on existing PASMO infrastructure and establish institutional capacity on a country basis. This will strengthen the institutional capacity to respond to the region's HIV epidemic, while retaining economies of scale through the use of standardized systems and tools, modified for local needs. PASMO's country director in Honduras was recruited from within the organization, country managers for Belize, El Salvador and Nicaragua have been appointed and PASMO is in the process of appointing a country manager for Panama.

PASMO also benefits from the international experiences and services of Population Services International (PSI), such as the development of behavior change modules, marketing strategies, highly competitive international procurement and the appointment of an experienced expert on social marketing as the Regional Executive Director. It is planned that PASMO´s current Director of Finance will be nominated as Deputy Executive Director to develop a high level of leadership ability within the organization. By mid-2002, recruitment began for a PSI Technical Advisor who will assume a posting in Managua, Nicaragua for two years to provide support in developing capacity and implementation of operations in Nicaragua, Costa Rica and Panama. The Technical Advisor, scheduled to arrive in Guatemala in November 2002, will also provide assistance in refining PASMO´s research agenda and assist in the launch of new products.

Numerous training activities to develop capacity with partner institutions of the region have been executed. In addition to working with commercial distributors, PASMO regularly provides condoms, training, supervision and on-going support for NGOs in their efforts to reach different and remote localities and clients. PASMO has supported a number of training activities through the country offices or through partner NGOs. The overall experiences have been variable, but in general, positive, and PASMO will continue to collaborate with NGOs in the future and will expand its network of educators/consultants to conducts more activities with high-risks groups within the region.

As mentioned in the executive summary, as a result of the continued increases of VIVE sales, PASMO is now able to cover the costs of goods associated with the direct sales costs of condoms and is continuing its efforts to increase sales and price recovery in order to also cover operational costs. By the end of project in 2002, sales were totalling 4 million and it is estimated that this will increase to 10 million units per annum on an annualised basis by 2006. The primary goal of the project will remain the maximization of public health impact, but PASMO believes that even with an affordable price, it will be possible to increase condom revenues by 2006 to $1 million per annum. At this level, and with existing reserves, PASMO could continue condom distribution and sales operations indefinitely.

Efforts to achieve maximum efficiency and effectiveness continue. Though its decentralization plans, PASMO has increased capacity and activity outputs, but retained costs at similar levels to those incurred in 2001. These operational costs will be kept low in the future by continuing to contract activities on a performance based system through NGOs and consultants; reducing regional travel; undertaking international procurement on all large orders. PASMO will also continue to develop and implement cost saving strategies in order to maintain prices to the consumer and reduce its financial vulnerability.

In 2000 and 2001, PASMO launched the female condom FEMIDOM in Guatemala, El Salvador and Nicaragua. Sales were limited in each country due to the fact that the cost to the consumer is significantly higher than the male condom and have since been discontinued. A colored and flavoured condom TRUSTEX and a water based lubricant RAIN were launched as well, but sales were hampered because of registration problems.

Based on these experiences, PASMO concentrated its efforts on launching products that offer long-term potential for high turnover and/or high margins. With this in mind, PASMO established and launched in 2002 a line extension of VIVE condoms: VIVE Max, designed to enhance sensation (a key barrier to use) and VIVE Colors, a scented and coloured condom. PASMO is currently working on a identifying a water-based lubricant to be registered and sold through the region, as well as conducting market research on the feasibility of a line of multi-vitamins and flavoured ORS. Depending on the results of the feasibility studies, PASMO may launch these products on a cost-plus strategy in order to contribute to offset operational costs of its HIV prevention activities.

Over the course of the project, PASMO was successful in leveraging USAID funding to diversify income sources and received support from bilateral USAID missions in Honduras and El Salvador, British DFID, several US foundations and Canadian CIDA. Recent funding from PSI discretionary funds are being allocated to the launch of emergency contraception and recent discussions and project planning visits from KfW indicate that PASMO is likely to receive funding for a regional HIV/AIDS prevention project expected to begin mid-2003, if approval is granted.

VI. Lessons Learned

Behavior Change Communication

- Changing any behavior requires several years as well as intense levels of activity. PASMO found that measuring changes in sexual behavior between 1997 and 2000 was too short a time period, especially since PASMO's re-design to include BCC did not start in earnest until early 2000. PASMO current decentralization strategy will allow for more intensive activities with MSM and CSW on a country level basis. These activities must be conducted on a consistent basis, have multiple reminders of safer sexual practices and be repetitive in nature in order to sustain behavior change.
- Qualitative research with MSM and CSW is required to better understand the dynamics of condom use decision-making and barriers to use as well as to identify self-efficacy issues. The qualitative results will be used to refine BCC strategies.
- Several BCC activities (such as Loteria Vive, Vive la Vida Loca, etc.) were found to be highly effective. These successful results have been used for replication and scale-up of such activities.
- Behavior change requires that messages be presented in an entertaining format and through multiple reminders so that the message "rings home" and allows the intended audience to assess their own personal risk.
- BCC activities targeting MSM should also incorporate messages regarding the risks of sexual relations with female partners, particularly with regard to anal sex (the latter also being important for CSW and youth).
- Creating a norm of condom use is the key to HIV prevention and it is important to continue to provide additional sources of information with consistent messages regarding risk perception and improved social support, while also creating positive image for condoms and de-stigmatising their use.
- PASMO staff need to monitor closely VIVE BCC activities implemented by consultants on a regular basis to assure quality, particularly regarding condom demonstrations.
- All promoters conducting Loteria Vive must be aware of the nearest clinic for referrals for STI symptoms and treatment, and a new add-on activity – providing coupons for free health services to those who have symptoms – should be piloted.
- CSW condom use with long-term partners remains low, as does risk perception with healthy looking clients. Messages to address this issue need to be included in BCC modules.
- Activities with the Garifuna population remain low, this group remains difficult to work with. PASMO should develop a new module for Garifuna using new IDB research and PASMO/partners' experience, and recruit & train local, Garifuna consultants to implement

Working with NGOs

- There are only a few NGOs working with MSM who have prevention as a priority issue on their agenda. PASMO should work on convincing other NGOs about the importance of this issue and then help them to develop implementation plans with those NGOs that are committed to HIV prevention. In the absence of sufficient capacity and given the importance of this group, PASMO has started to recruit staff and consultants to implement activities with MSM on a larger scale.

Decentralization of activities

- PASMO needs to focus its efforts on reaching scale. KAP results demonstrate that those MSM and CSW that participated in PASMO sponsored activities had higher levels of consistent condom use.
- Decentralization of activities in necessary in order to achieve scale and improve programming, while continuing to benefit from regional economies (e.g., through regional development of modules, brands, campaigns, a single central office, and bulk purchasing).

Condom Affordability

- Improving the affordability of condoms for CSW, lower income youth, needs to be targeted more aggressively, while activities to improve access should continue to be scaled up.