

PD-ABS-736



**Transition Project
USAID Grant Report**

**July 1999 to September 2000
Final Report**

Award N°. 512-G-00-99-00022-00

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**Grant Report
Final Report
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I – BACKGROUND

BEMFAM

BEMFAM (Sociedade Civil Bem Estar Familiar no Brasil) was founded in 1965 as a non-profit NGO of social action, with a mission to defend the right of men, women, and teenagers to receive reproductive and sexual health assistance.

Playing the major role in the provision of sexual and reproductive healthcare services, BEMFAM establishes technical cooperative agreements with governmental organizations, providing technical support for planning, implementation, human resources training, and supervision of its services in 9 Brazilian states. The institution also promotes assistance to its public through clinics of sexual and reproductive health and laboratories of clinical analysis and cithopatology.

BEMFAM develops special projects focused on specific publics, researches on the area of demography and sexual and reproductive health and provides technical assistance to lusophone institutions from Africa.

In 1996, BEMFAM created the Social Marketing Division with the purpose of generating additional revenue from marketing programs to help increase the sustainability of the institution. The first implemented program was the commercialization of PROSEX condoms.

The PROSEX Program

To start the PROSEX condoms program, USAID donated an initial shipment of 9.2 million condoms. Due to testing problems in Brazil many of these were rejected claiming product defects. With USAID's intervention, testing problems were corrected and many of the condoms were approved in a second test. Most of these, however, had an expiration date of less than 14 months. BEMFAM had to sell the product practically at cost with the objective of recovering the initial investment.

The first 15 months of PROSE sales reached more than 6,4 million condoms and the income was R\$ 765.000 with an average price of R\$ 0,118. In 1998 BEMFAM moved the strategy to focus the commercial sector with higher price and national distribution. By the end of 98, more than 5,8 million condoms were sold with a total income of R\$ 1,017,822 , increasing 33% in total revenue and reaching R\$ 0,174 per unit, a 47% gain in price level.

Lab Services Expansion

In 1997 BEMFAM decided to expand its laboratory in Rio de Janeiro and Recife to offer clinical analysis services to the private sector. This expansion was based on the lack of these clinical analysis services in the areas where our clinics are located.

In 1998, the clinical analysis services of Rio de Janeiro lab had very little activity, with total income of R\$ 15.790 and expenses of R\$ 38.520 during the last six months of the year. The Recife lab started its services months later generating a total income of R\$ 847 and expenses of R\$ 8.239. In total, the clinical analysis services division had a net loss of R\$ 30.122 in 1998, but with a promising future based on the fact that the laboratories are an extension of the services offered by BEMFAM clinics to the needed population.

Marketing Program

Based on revenues for the year of 1998, and the projected annual growth, it was estimated that by FY 2000 BEMFAM would be in a suitable position to achieve a 75% sustainability level. The goal is to accelerate and improve institution's social marketing activities to surpass this goal and achieve an 80% sustainability level.

Marketing Objective

To generate revenue from BEMFAM's current social marketing activities to a level that will contribute 19,3% of the overall institution's income.

II – USAID AWARD

USAID awarded Sociedade Civil Bem-Estar Familiar no Brasil – BEMFAM a \$415,000 grant to support its Social Marketing Program from July 1999 through June 2000, as follows:

\$250,000 for its PROSEX condoms marketing Program
\$ 65,000 for its laboratories clinical analysis services promotion
\$100,000 for an institutional public relations campaign

According to negotiations between USAID and BEMFAM, it was stated a no cost extension to BEMFAM under this Grant from June/30/2000 to September/30/2000 to implement activities to achieve institutional sustainable objectives.

In addition, it was negotiated a transference of funds from Labs Clinical Analysis Services to PROSEX Advertising Campaign, so as to maximize the sustainability results, as follows:

\$271,983 for its PROSEX condoms marketing Program
\$ 43,017 for its laboratories clinical analysis services promotion
\$100,000 for an institutional public relations campaign

Even though the project was programmed to start on July 1999, the contract was only signed on August 30th and the first advancement was received on October 99. Therefore, the activities started to be implemented from October onwards. This report is going present information and all activities that were implemented during October 1999 through September 2000.

III – PROGRAM OBJECTIVES

General

To improve sustainability of family planning delivery systems.

Overall Objective

To increase the percent of BEMFAM expenses covered by locally generated resources to 80% by the end of FY 2000.

PROSEX Program

To generate revenue from the PROSEX condom program to a level that will contribute 16,3% of the local institution's income within the grant's period.

Labs Program

To generate revenue from BEMFAM's clinical analysis lab services to a level that will contribute 3% of the overall institution's income within the grant's period.

Institutional Image

To improve BEMFAM's image as Brazil's leading sexual and reproductive health institution and to promote its social marketing activities.

IV – IMPLEMENTED ACTIVITIES

PROSEX Advertising Campaign

During the first quarter – October through December 1999 – BEMFAM started to develop the PROSEX advertising campaign.

The first step taken was to select an Advertising Agency that could elaborate a strong campaign for PROSEX to be presented in the states of Rio de Janeiro and Minas Gerais which represent 50% of the total market of PROSEX in Brazil. Four agencies were invited to participate of a bid process and the selected one was Publicis Norton S.A.

PROSEX is the only American condom in the Brazilian market. This was a concept adopted by BEMFAM and the campaign theme was "Oh! Yes, Yes!".

BEMFAM produced a radio spot which was broadcasted during October 99 to April 2000 in 8 radio stations – 4 in Rio de Janeiro and 4 in Belo Horizonte. As part of the campaign, BEMFAM also produced two TV advertisements to be broadcasted on closed channel - MTV, national scope, during October 99 to May 2000.

As a media support, it was developed an outdoor and busdoor campaign during December 99 to February 2000 and published magazines ads. On June, BEMFAM published a Valentine's Day advertisement.

An important step taken was to rebroadcast the PROSEX radio spots in radio stations on Brazil northeast during Carnival season – February/March 2000, including the cities of Fortaleza - CE, Maceió - AL, Teresina, Pedro II and Parnaíba - PI. BEMFAM was able to produce PROSEX sales materials and also promotional kits which gave support to its sales force to introduce PROSEX in new markets.

BEMFAM developed an special promotional package of one unit condom box to be used for sampling actions. The public involved in this action were young people at night clubs, discos and universities and the promotional package was distributed by our staff during July – Brazilian vacation time. This promotional package was also distributed during Carnival.

Labs clinical analysis services program

The first stage of this program was the selection of sales representatives for Rio de Janeiro and Pernambuco labs and the production of sales materials presenting the Clinical Analysis Labs services.

One relevant point is that the laboratories market is very competitive in both cities – Rio de Janeiro and Pernambuco – and most of the Health Care Plans were closed for new agreements. This situation brought many difficulties to BEMFAM that needed to conquer additional clients in order to achieve the original objective, established at the action plan.

During January to March a direct mail campaign was implemented, offering a promotional services package to Rio de Janeiro. This action presented good results (2,5% of clients return). The same action was applied in Pernambuco, but the results were slower when compared to Rio de Janeiro.

As part of the campaign, during April through May, BEMFAM published ads in newspapers in Rio de Janeiro and Pernambuco. It also produced a TV ad to promote Pernambuco's lab and broadcasted it during February which brought great visibility. Since it was a success, BEMFAM decided to rebroadcast it on June with 40 insertions during the month.

On June, Pernambuco laboratory conquered a substantial private clinic as a client, which brought a big volume of exams, increasing its incomes and attendance. On July 99 the labs realized 171 exams and on July 2000 the total volume reached more than 3.900 exams. During October 99 to September 00 both labs realized 11.929 exams.

Institutional public relations campaign

Using the same principle of PROSEX Campaign, the Institutional Public Relations Campaign was developed by an Public Relations Agency together with BEMFAM staff. Five agencies were invited to participate of the selection process in which the agency would present capability to attend BEMFAM's needs. The selected agency was ZDL de Comunicação (São Paulo).

The first step taken was to produce an historical booklet describing BEMFAM's history since its foundation, named "A past of accomplishment... A promising future". It was also developed a promotional folder including information about the Sexual and Reproductive Health Programs and a commemorative brand for its 35 years of existence.

During the campaign, BEMFAM developed various activities which were published through press releases, such as:

- Publication of the researches "Demography and Health research on Teenagers and Youth"
- Publication of the "Male Sexual and Reproductive Health Behavior"
- Launching of PROSEX advertising campaign in Belo Horizonte
- Promotion of institutional activities during Carnival season
- Promotion of institutional activities at International Day Against AIDS
- Activities of BEMFAM special projects with teenagers
- Distribution of condoms in social actions
- Article about AIDS within the third age group
- Article about sexual violence

These and many others actions were published through press releases, which brought to BEMFAM many free articles in newspapers and magazines. On August, BEMFAM promoted the II Sexual Education Meeting in Rio de Janeiro.

BEMFAM was invited to participate in talk shows on television programs and also interviews at radio stations.

V - RESULTS

PROSEX Advertising Campaign

The PROSEX advertising campaign was a great success. Even though the focus of the campaign was centered in Rio de Janeiro and Minas Gerais, the results came from all parts of the country in reason of the promotional materials produced. The carnival campaigns also helped to increase public knowledge of PROSEX brand in Brazil northeast.

During the grant period, BEMFAM sold more than 11million units of PROSEX condoms. This result correspond to a revenue of US\$ 1,362,659 dollars, with an increase in sales of 45,8% in Minas Gerais and Rio de Janeiro.

PROSEX sales results contributed to BEMFAM total income was of 25,9%. And the contribution to sustainability was of 19,9%.

Labs clinical analysis services program

The Clinical Analysis Labs didn't present the stated result for the program. BEMFAM believes that this situation occurred because of an aggressive competition both in Rio de Janeiro and Pernambuco, and the institution needs for additional investments to compete in this market.

Although the institution could not reach the results, the campaign helped to increase public knowledge about BEMFAM's labs. The promotional materials produced and the TV advertisements in Pernambuco, brought to BEMFAM a strong private client that increased the volume of exams in a rate above 100% from July, 1999.

Another factor that influenced our plan was the impossibility of include BEMFAM's clinical analysis services in the leading private medical plans such as UNIMED, AMIL, Bradesco Saúde which were all closed for new agreements. These contacts were made and there is a possibility to negotiate with them in the year 2001.

If the institution manages to conclude these negotiations, than we would have the necessary visibility to start operating with a positive margin to contribute to BEMFAM sustainability.

In Rio de Janeiro the direct mail action presented good results, but it occurred only during January to March.

Institutional public relations campaign

The institutional campaign gave great visibility to BEMFAM. The media is already looking for BEMFAM in order to obtain information on sexual and reproductive health.

During the grant period, BEMFAM was mentioned in more than 90 articles in newspapers, magazines and internet news. BEMFAM also participated in interviews on television and radio programs.

The return in printed media was of US\$ 726,622.79 and in electronic media was of US\$ 249,350.85, bringing a total of US\$ 975,973.64. This amount represents what BEMFAM would pay if it was an commercial advertising campaign, and also represents an exceptional return since the original investment was of US\$ 100,000.

Overall Objective

The USAID investment of US\$ 415,000 allowed the Social Marketing Department of BEMFAM to achieve total sales of US\$ 1,403,803 with a contribution to the local income of 26,63%. It is expected that by year-end 2000, BEMFAM will achieve 85% of expenses covered by local generated resources.

Table 1 – Benchmarks and Indicators
Final Report
October 1999 to December, 2000
Award No. 512-G-00-99-00022-00

Objectives	Activities	Outcomes	Indicators	Results during the reporting period
To generate revenue from the PROSEX condom program to a level that will contribute 16,3% of the local institution's income within the grant's period.	PROSEX Condom Advertising Campaign	Overall PROSEX condoms sales increase PROSEX contribution BEMFAM sustainability PROSEX condoms sales increase in those targeted areas	\$1,221,000 in PROSEX sales during the grant's reporting period. 16.3% contribution to BEMFAM's locally generated income during the reporting period 20% increase in sales in those targeted areas	\$1,362,659 in PROSEX sales 25,9% contribution to BEMFAM's locally generated income 45,8% increase in sales in those targeted areas
To generate revenue from BEMFAM's clinical analysis lab services to a level that will contribute 3% of the overall institution's income within the grant's period.	Produce advertising and promotional material to promote BEMFAM's labs	Increased revenue from BEMFAM's labs clinical analysis services Labs contribution to BEMFAM sustainability	\$222,600 in revenue from labs services during the grant's reporting period 3% contribution to BEMFAM's locally generated income during the reporting period	\$41,144 in revenue during the reporting period 0,73% contribution to BEMFAM's locally generated income during the reporting period
To improve BEMFAM's image as Brazil's leading sexual and reproductive health institution and to promote its commercial activities.	Develop an institutional public relations campaign for BEMFAM	Improved BEMFAM's institutional image	Coverage in 75 newspaper articles/clip 6 magazine article Spokesperson appearing in 8 TV talk shows 1 hour of TV news coverage 5 hours of radio coverage in 16 interviews	Coverage in 90 newspaper articles/clip 10 magazine article Spokesperson appearing in 8 TV talk shows 2h56 of TV news coverage 1 hour of radio coverage (estimate)

VI - SUPPORTING DOCUMENTS

1. PROSEX Sales Report
2. Labs Sales Report
3. Public Relations Report
4. Financial Statements

PROSEX Sales Report

States	October to December		January to March		April to June		July to September		Total	
	1999		2000		2000		2000		R\$	Units
	R\$	Units	R\$	Units	R\$	Units	R\$	Units	R\$	Units
Minas Gerais	92.049,68	444.440	74.630,00	352.364	61.493,10	301.872	114.959,60	629.616	343.132,38	1.728.292
Rio de Janeiro	224.513,28	990.680	240.424,76	1.032.664	221.361,52	972.736	255.113,62	1.234.608	941.413,18	4.230.688
Total	316.562,96	1.435.120	315.054,76	1.385.028	282.854,62	1.274.608	370.073,22	1.864.224	1.284.545,56	5.958.980
Exchange Rate	1,91		1,77		1,80		1,81			
US\$	165.739,77		177.695,86		156.967,05		204.009,49		704.412,17	

PROSEX Sales	October to December		January to March		April to June		July to September		Total	
	1999		2000		2000		2000		R\$	Units
	R\$	Units	R\$	Units	R\$	Units	R\$	Units	R\$	Units
Total	562.867,60	2.590.472	574.602,31	2.579.648	563.398,57	2.620.551	778.898,77	4.081.310	2.479.767,25	11.871.981
Rate	1,91	-	1,77	-	1,80	-	1,81	-	-	-
Total (US\$)	294.695,08	-	324.634,07	-	312.999,21	-	430.330,81	-	1.362.659,17	-

Clinical Analysis Laboratories - Results

Pernambuco

1999

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Clients	30	26	230	40	39	44	59	294	286	142	232	53	1475
Exams	77	73	321	107	106	116	171	368	421	241	280	86	2.367
Revenue	645,25	550,70	3.708,65	882,00	806,80	820,80	1.301,75	3.950,20	4.024,80	2.226,75	3.070,80	836,75	22.825,25 9,64

2000

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Clients	57	94	83	52	177	239	749	381	303				2.135
Exams	139	164	163	109	267	683	3.950	1.594	1.157				8.226
Revenue	1.252,50	1.478,62	1.325,60	926,50	2.444,00	3.601,27	16.552,29	6.216,60	4.512,30				27.580,78 3,35

* estimated amount

Rio de Janeiro

1999

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Clients	81	72	141	85	109	106	112	100	100	91	98	69	1.164
Exams	201	200	451	266	317	302	318	268	219	233	282	189	3.246
Revenue				2.478,55	3.230,22	2.563,62	3.243,95	2.681,89	2.122,60	2.227,07	3.016,38	2.025,01	23.589,29 7,27

2000

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Clients	91	131	102	100	96	103	89	105	84				901
Exams	235	314	207	275	298	283	246	278	256				2.392
Revenue	2.168,61	2.656,68	2.009,11	2.512,14	2.575,18	2.657,76	2.701,96	2.932,99	2.955,35				23.169,78 9,69

Total

Oct 1999 a Sept 2000

	October	November	December	January	February	March	April	May	June	July	August	September	Total
Clients	233	330	122	148	225	185	152	273	342	838	486	387	3.721
Exams	474	562	275	374	478	370	384	565	966	4196	1872	1413	11.929
Revenue	4.453,82	6.087,18	2.861,76	3.421,11	4.135,30	3.334,71	3.438,64	5.019,18	6.259,03	19.254,25	9.149,59	7.467,65	74.882,22

US\$ 41.144,08

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**Evaluation of Media Exposition Report
BEMFAM
September 1999 through September 2000**

September to October 1999

Exposition in Press Media

- Total of vehicles: 12
- Number of published articles: 16
- Total of cm: 2.546,16 (compared to five full pages)
- Number of published photos: 18
- Number of BEMFAM's name citation inside the text: 39
- Number of BEMFAM's name citation at the title: 7
- Cost: R\$ 400.723,86

Exposition in Electronic Media

Television

- Vehicles: TVE, CNT, TV Globo, Canal Futura, TV Cultura
- Duration: 1h24m25
- Cost: R\$ 99.205,51

Radio

- Vehicles: CBN Total, CBN Brasil
- Duration: 24m48
- Cost: R\$ 32.603,04

Total: R\$ 532.532,41

November to December 1999

Exposition in Press Media

- Total of vehicles: 13
- Number of published articles: 22
- Total of cm: 1.643,07 (compared to three full pages)
- Number of published pictures: 5
- Number of BEMFAM's name citation inside the text: 25
- Number of BEMFAM's name citation at the title: 2
- Cost: R\$ 188.608,76

Total: R\$ 188.608,76

January to February 2000

Exposition in Press Media

- Total of vehicles: 35
- Number of published articles: 39
- Total of cm: 3.797,37 (compared to seven full pages)
- Number of published pictures: 11
- Number of BEMFAM's name citation inside the text: 96
- Number of BEMFAM's name citation at the title: 4
- Cost: R\$ 552.675,35

Exposition in Eletronic Media

- Vehicle: TV Bandeirantes
- Duration: 2m15
- Cost: R\$ 44.010,00

Total: R\$ 596.685,35

March 2000

Exposition in Press Media

- Total of Vehicles: 11
- Number of publISHED articles: 15
- Total of cm: 1.088,19 (compared to two fu)
- Number of published photos: 5
- Number of BEMFAM's name citation during the 9
- Cost: R\$ 91.938,94

Total: R\$ 91.938,36

April 2000

Exposition in Press Media

- Total of Vehicles: 11
- Number of published articles: 12
- Total of cm: 1.000,61 (compared to two full pages)
- Number of published photos: -
- Number of BEMFAM's name citation during the text: 43
- Cost: R\$ 83.604,69

Total: R\$ 83.604,69

May to June 2000

Exposition in Press Media

- Total of Vehicles: 8
- Number of published articles: 6
- Total of cm: 87,90 (compared to one full page)
- Number of BEMFAM's name citation during the text: 10
- Cost: R\$ 4.901,88

Exposition in Eletronic Media

- Vehicle: Rede Mulher
- Duration: 1h32m40
- Cost: R\$ 278.000,00

Total: R\$ 282.091,88

Press Media: R\$ 1.322.453,48 - US\$ 726,622.79

Eletronic Media: R\$ 453.818,55 - US\$ 249,350.85

TOTAL: R\$ 1.776.672,03 - US\$ 975,973.64

Financial Report

Award No. 512-G-00-99-00022-00

USAID Contribution for the quarter ended in US dollars

Annex I

(a) Element	(b) Life of the project budget	(c) Current year budget	(d) Funds received as of October 1999 from inception	(e) Funds received this year	(f) Funds expended from July to September	(g) Funds expended from inception	(h) Balance available from inception
1. Condoms Advertising Campaign	271.983,00	271.983,00	261.099,79	261.099,79	18.649,84	271.872,90	(10.773,11)
2. Labs Promotional Material	43.017,00	43.017,00	83.026,54	83.026,54	2.605,94	43.005,19	40.021,35
3. Public Relations Campaign	100.000,00	100.000,00	70.873,67	70.873,67	7.052,21	100.113,13	(29.239,46)
Totals	415.000,00	415.000,00	415.000,00	415.000,00	28.307,99	414.991,22	8,78


Dr. Ney Francisco Costa
Executive Secretary


Francisco Müller
Financial Coordinator