



ANNUAL REPORT

Project Year 1

September 1, 2004 to September 30, 2005

EXECUTIVE SUMMARY

In its first year, T-MARC encountered significant challenges yet achieved successes on a number of fronts. Key benchmarks and results are summarized below:

- Program startup: Rapid program startup achieved
- Planning: Implementation plans, business plans, and performance monitoring plan (PMP) delivered
- Local organization: New local organization, the T-MARC Company Ltd, registered, board of directors formed, staff transition plan in place
- Marketing partnerships: Partnerships formed with leading Tanzanian commercial companies, Shelys Pharmaceuticals and Kays Hygiene
- Marketing products: New female condom (Lady Pepeta) and oral contraceptive pill (Flexi P) brands launched
- Sales: Female condom sales doubling over previous year, oral contraceptive sales running at a 33% increase
- Communication partnerships: Facilitated development of National HIV/AIDS Communication Strategy, provided technical assistance and support to a range of government public health initiatives
- Communication campaigns: *Mama Ushauri* mass media spots aired, planning commenced for new HIV/AIDS, family planning, and malaria campaigns
- Partnership and cooperation: Strong relationships formed with key government stakeholders, (MoH, TACAIDS, NACP, and RCHS), NGOs, private sector organizations, and USAID cooperating agencies
- Research, monitoring and evaluation: PMP produced, formative research for new brands conducted

Beyond its well-documented challenges and barriers, which the project faced early on with respect to commodities and transfer of social marketing brands, T-MARC acknowledges a relatively slow start in some areas, particularly in communications and leveraging the value of its partnerships. T-MARC is working vigorously now to address

these problems and anticipates successful resolution in FY 2006. T-MARC eagerly looks forward to its second year as it puts the challenges it faced in its first year behind it.

Following is a summary of project highlights, benchmarks, results, problems encountered, and remedial actions taken with respect to project management and operations, marketing, communications, partnership and cooperation, and research, monitoring and evaluation.

MANAGEMENT AND OPERATIONS

Benchmarks and Results

The Academy for Educational Development (AED), the prime contractor for the T-MARC project, has generally met project management deliverables on time, including a first year implementation plan, five-year business plan, and a Performance Monitoring Plan (PMP). In T-MARC's first project year, AED and its partners rapidly launched local operations, hiring most field staff within 30 days of the award. The AED team responded vigorously to attempts to delay T-MARC's startup operations, and quickly began to build positive relationships with key government stakeholders and business groups (see Partnerships and Cooperation section below). Meetings were held in Washington with USAID in October 2004 to review the T-MARC project design and objectives, and a four-day staff retreat was held to develop staff understanding of and commitment to T-MARC's mission, strategy and organization. The T-MARC startup team's success in launching program operations was recognized at AED with a management award. In addition, within the first year of the project, AED met another key deliverable by successfully registering a local organization, the "T-MARC Company Ltd" in early September 2005. The T-MARC Company has an outstanding board of directors drawn from various sectors of Tanzanian society. Nearly all current project staff will transfer to the new organization, which will begin operations in either December 2005 or January 2006, following USAID's modification of AED's task order. The company's initial core business will be its subcontract with AED to manage the implementation of the T-MARC project.

In its business plan, T-MARC clearly described its strategy of enacting a "total market approach" that will involve multiple partners from the private commercial sector, NGOs, and the public sector in a comprehensive effort that will aim to decrease risky behaviors and increase preventive health behaviors, and generate/fulfill demand for an affordable and accessible range of preventive health products. The business plan describes AED's "Full Market Impact (FMI)" model that encompasses six areas: 1) supply, 2) demand, 3) distribution, 4) new products/quality assurance, 5) equity, and 6) sustainability. AED's FMI approach will ensure alignment with USAID's strategic objectives, T-MARC project objectives, and the T-MARC Performance Monitoring Plan (PMP).

Problems Encountered and Remedial Actions

While AED technically delivered its first year implementation plan on time (within 60 days of contract award) the document was never finalized. This was due in part to the lack of resolution on T-MARC's ability to obtain condoms donated from the Dutch

government and to obtain social marketing brands (developed with USAID resources) from the previous implementing agency, as originally envisaged. In addition, T-MARC's relationship with important Tanzanian government agencies evolved slowly as some important stakeholders initially did not embrace the new T-MARC award. This hampered T-MARC's ability to plan initiatives, particularly in generic/behavior change communications, that would require cooperation with the government. It was agreed with USAID that the first year implementation plan would be completed once these issues were resolved. In March 2005, USAID resolved that it would supply donated condoms to T-MARC and that T-MARC could develop new brand names for subsidized male condom, female condom, and oral contraceptive pill products. From that point forward, T-MARC shifted its planning focus to developing marketing plans for these new brands. AED concedes however that at the same time it could have initiated a corresponding effort to develop a detailed communications plan (focusing on generic communication and behavior change), particularly as its relationship with key government stakeholders improved. This lapse is currently being addressed with the development of a communications plan for FY 2006.

T-MARC underwent a difficult review session in late June 2005 with the participation of USAID and its consultant David Hales. While USAID acknowledged progress and successes in some areas, e.g., the development of sound marketing plans for the new brands referenced above, overall the review highlighted areas where improvement was needed, particularly with respect to management, communications, partnerships and cooperation. Following the review, AED developed an action plan for the development and registration of the new locally controlled organization by September. AED accomplished this task and the "T-MARC Company Ltd" is ready to begin operations. In addition, AED developed a four-year business plan for the T-MARC Company, which includes a plan for the execution of the T-MARC project for its remaining four years. The business plan sought to address many of the project deficiencies that the June review highlighted, particularly with respect to management, organizational structure, and partnerships and cooperation.

MARKETING

Benchmarks and Results

Partnership and Cooperation

T-MARC entered into marketing partnerships with two local commercial firms, Shelys Pharmaceuticals (part of the Sumaria Group, one of East Africa's largest and most successful business conglomerates) and Kays Hygiene, which are marketing oral contraceptive (OC) pills and female condoms, respectively. Shelys Pharmaceuticals and its sister organization, Beta Healthcare (which markets over-the-counter [OTC] healthcare products) are partners with high potential to manufacture and/or market a wide range of HIV/AIDS, family planning/reproductive health (FP/RH), child survival (CS) and malaria-related products. In addition to OC pills (*Flexi P*), Shelys will market the T-MARC-subsidized condom brand (*Dume*), and has indicated interest or already has plans to market an array of new products, including the new low osmolarity formula for oral

rehydration salts (ORS), zinc, point-of-use water purification, injectable contraceptives, artemisinin combination therapy (ACT), and multivitamins.

Products

T-MARC developed marketing plans for new male and female condom brands, respectively called *Dume* and *Lady Pepeta*, and a new oral contraceptive (OC) pill brand called *Flexi P*. T-MARC successfully launched Lady Pepeta and Flexi P in September 2005. T-MARC will launch Dume in March 2006 after it receives its first shipment of condoms with customized foils. These three products are highly subsidized through donated commodities to ensure affordability for nearly all Tanzanian consumers (excepting the poorest of the poor at the “bottom of the pyramid”, who need free commodities).

T-MARC commenced sales of female condoms and OC pills (under their previous brand names) prior to the launch of the new brands. For the period January to September, female condom sales totaled nearly 232,000 units, over double the rate of sales for the same period last year. As for OC pills, sales for the period March to September totaled over 521,000 cycles, representing a 33% growth rate over the same period last year.

In enacting its FMI approach, T-MARC also engaged commercial partners in discussion for launching new full-priced (non-donated) condom brands that would be affordable for consumers in the so-called “second tier” (i.e., “B” and “C” consumers) of the socioeconomic pyramid. Assuming pricing and payment term discussions are resolved favorably, T-MARC expects its partners will launch at least two new full-priced brands by the first half of 2006. In addition, T-MARC opened discussion with the National AIDS Control Program (NACP) and the Ministry of Health (MoH) on developing a public sector brand, although T-MARC did not obtain a government decision by the close of the reporting period.

In its most recent business plan, T-MARC identified a number of new products that the project could develop to address health priorities in HIV/AIDS, FP/RH, CS and malaria. These products included injectable contraceptives, new low osmolarity formula ORS, zinc, multivitamins, prepackaged therapy for sexually transmitted infections, ACT, and long-lasting insecticide treated nets (LLINs). USAID subsequently responded with its directive on new product development following the close of the fiscal year.

Problems Encountered and Remedial Actions

Rapid marketing implementation was hampered by the previous implementing agency’s refusal to handover social marketing brands that were developed with USAID resources. In addition, T-MARC did not gain access to condom supply when the Dutch government determined it would continue to supply the previous implementing agency. USAID helped T-MARC resolve these issues by agreeing to supply the project with condoms and providing clearance for the project to develop new social marketing brands. To be sure, the brands that T-MARC has developed will be the property of USAID, and future ownership of these brands will only be determined in consultation with the government.

COMMUNICATIONS

Benchmarks and Results

Partnership and Cooperation

In the first year, T-MARC largely focused on support activities that enabled the development and/or execution of communications strategies by key partners, particularly the government. In collaboration with the Tanzania Commission for AIDS (TACAIDS), T-MARC facilitated and developed the National HIV/AIDS Communication Strategy, which was near completion at the end of the fiscal year. This culminated an arduous and time-consuming process of consultation and integration that had begun long before T-MARC even begun operations. In addition, T-MARC provided technical support to the MoH measles immunization campaign that launched in the final quarter, and assisted the MoH Reproductive and Child Health Services (RCHS) division in facilitating a review of its Integrated Maternal and Child Illness (IMCI) project. T-MARC is now a member of the IMCI working group and national task force that is coordinating the campaign. In addition, T-MARC has participated in the NACP's condom steering committee. In collaboration with Helen Keller International/Tanzania and the MOST project, T-MARC also conducted a four-day workshop on Nutrition Behavior Change Communication.

These partnership and cooperation initiatives did much to build T-MARC's credibility in Tanzania, particularly with key government stakeholders. While time-consuming, these early initiatives have established a solid platform for cooperation and partnership in more ambitious communications initiatives, which will need government buy-in and support.

Communication Campaigns

T-MARC re-aired *Mama Ushauri* radio and television campaign spots to promote family planning. In addition, T-MARC collected and catalogued messages and materials used in FP/RH, HIV/AIDS, CS, and malaria campaigns for the development of a "message bank", although T-MARC did not comprehensively complete this activity by the end of the fiscal year. T-MARC did however complete communication strategy matrices comprising 4 thematic areas, 18 strategic areas, and 99 strategies for the National HIV/AIDS Communication Strategy. These matrices represent a de facto message bank for HIV/AIDS communication.

T-MARC completed a draft communication plan for FY 2006 that included a "gap analysis" of where T-MARC communications could complement other communication initiatives in HIV/AIDS and FP/RH while not duplicating effort or wasting limited resources. T-MARC is currently revising its FY 2006 communication plan based on comments received by USAID.

At the end of the fiscal year, T-MARC also embarked on a plan to support USAID's initiative with the Zanzibar Malaria Control Program and the Ministry of Health to promote the distribution and use of LLINs for malaria prevention for pregnant women and children under five in Zanzibar in mid-December 2005. In addition, T-MARC

commenced discussion with Vodacom on a collaborative effort to promote condom use on World AIDS Day on December 1.

Problems Encountered and Remedial Actions

Following its mandate, T-MARC consistently responded to requests for communications technical assistance from partner organizations, particularly the MoH, and participated in workshops hosted by a range of government, NGO, multilateral, and USAID collaborating agencies (CAs). However, these requests came haphazardly and were numerous, and distracted T-MARC from its scope to develop and implement communications campaigns in conjunction with numerous stakeholders and partners, particularly the government and NGOs, which represents a complex task. Given its limited human resources, T-MARC must become increasingly selective in offering support to other organizations, as it must now focus on the essential task of developing and launching communications campaigns that will promote behavior change and increase use of essential health products. On the other hand, as noted above, these partnership and cooperation activities may have comprised a necessary if at times distracting investment in relationship building in communications. T-MARC believes this early investment will reap dividends in the project out years.

T-MARC nevertheless acknowledges USAID's statements that there has been a lack of progress in communications, which T-MARC is resolved to remedy in FY 2006 with a range of new communication initiatives in HIV/AIDS, FP/RH, CS and malaria.

PARTNERSHIP AND COOPERATION

Benchmarks and Results

T-MARC has documented many of its first year efforts to fulfill its partnership and cooperation objectives under the marketing and communications sections of this report. To summarize, T-MARC has established strong relationships with key government stakeholder bodies, including the MoH, TACAIDS, NACP, and RCHS. T-MARC has also formed strong marketing partnerships with local commercial organizations, namely Shelys Pharmaceuticals (Sumaria Group) and Kays Hygiene. In addition, T-MARC has opened discussion with the HIV/AIDS Business Coalition of Tanzania (ABC/T), Vodacom, the faith-based community, NGOs, Africare, EngenderHealth, BBC World Service Trust, and other organizations on collaboration in a range of HIV/AIDS, FP/RH, and malaria communication initiatives.

Problems Encountered and Remedial Actions

Following the June review session, USAID stated a concern that T-MARC needed to adopt a more "external facing" attitude in its relationships with partners, and in particular needed to more effectively engage the marketing capacity of its key commercial partner, Shelys Pharmaceuticals. In response to this criticism, T-MARC and Shelys have discussed the terms and parameters for a new collaborative agreement that would include increased responsibility in product marketing management, warehousing, packing, and product marketing support. Shelys has agreed to hire a product manager who will handle all T-MARC-supported social marketing products. T-MARC will underwrite the costs

for this position in a new subcontract with Shelys. Shelys meanwhile agreed to cover, at a minimum, the costs of warehousing, re-packing, and distribution for T-MARC-supported products, which currently include Flexi-P oral contraceptives and the Dume male condom (scheduled for launch in March 2006).

T-MARC is embarking on other initiatives to engage both local and multinational companies, NGOs, as well as the government in its marketing and communication programs. T-MARC also has sought ways to engage increasingly the resources and experience of its project partners, Emerging Markets Group (EMG), Deloitte Touche Tohmatsu/Tanzania (DTT/TZ), and Africare. EMG/DTT provided important technical assistance in the last quarter of the fiscal year that supported the formation of the T-MARC Company Ltd in the area of financial management, human resources, and business planning. EMG/DTT will continue to provide support in these areas, and will assist in developing or leveraging grant mechanisms such as the DTT-managed Rapid Funding Envelope (RFE) to provide funding to NGOs that will support the implementation of interpersonal communication interventions. In addition, EMG/DTT will build the capacity of NGOs to apply for and manage these grants. Africare will initially collaborate with T-MARC on its malaria communications initiative in Zanzibar and it is envisaged it could play a larger role in coordinating activities with NGO on the mainland.

RESEARCH, MONITORING AND EVALUATION

Benchmarks and Results

At the end of the fiscal year, T-MARC produced a near-final draft of the Performance Monitoring Plan (PMP). The final PMP will be submitted to USAID by October in FY 2006.

T-MARC also completed formative research (focus groups) that informed the development of the new male and female condom, and OC pill brands. Toward the end of the fiscal year, T-MARC embarked on plans to implement a baseline study on target group knowledge, attitudes, practices and behaviors (KAPB).

Problems Encountered and Remedial Actions

The final development of the PMP was delayed due to the operational uncertainty T-MARC faced earlier in the year.