LESOTHO

A TOTAL MARKET APPROACH

FOR MALE CONDOMS

UNFPA

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UNFPA, THE UNITED NATIONS POPULATION FUND, delivers a world where every pregnancy is wanted, every birth is safe, and every young person's potential is fulfilled.

PSI, POPULATION SERVICES INTERNATIONAL, makes it easier for people in the developing world to lead healthier lives and plan the families they desire by marketing affordable products and services.

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Greetings

A MESSAGE FROM BRUCE CAMPBELL AND KIM LONGFIELD

Male condoms offer dual protection against HIV and other sexually transmitted infections (STIs), as well as unplanned pregnancy. All of these factors are important to our two agencies— UNFPA, the United Nations Population Fund, and PSI, Population Services International — and are critical for delivering the health impact we both strive to achieve.

We will work together and with other partners to increase condom use and grow the market to serve those most in need.

This case study is part of a series that UNFPA and PSI have produced over the course of a year. The series takes a critical look at the communities in which we operate and helps us understand how both agencies can improve our support in those communities and our engagement with other stakeholders, to grow and strengthen the total market for condoms.

We focused our efforts on six African countries — Botswana, Lesotho, Mali, South Africa, Swaziland, and Uganda — that have large condom social marketing programs, are affected by the HIV epidemic, and have high maternal morbidity and mortality relative to their economic development. This series of case studies is intended to inform appropriate evidence-based decisions that increase condom use equitably and sustainably through actions undertaken in all supply sectors. Employing such a total market approach (TMA) means that all three sectors — public, social marketing, and commercial — work together to deliver health choices for all population segments.

We will work together and with other partners to increase condom use and grow the market in a responsible way. Our long-term goal is to offer options to those most in need, people seeking to live their lives free from HIV and unplanned pregnancy.

Sincerely,
BRUCE CAMPBELL
Director, Technical Division, UNFPA

KIM LONGFIELD
Director, Research and Metrics, PSI

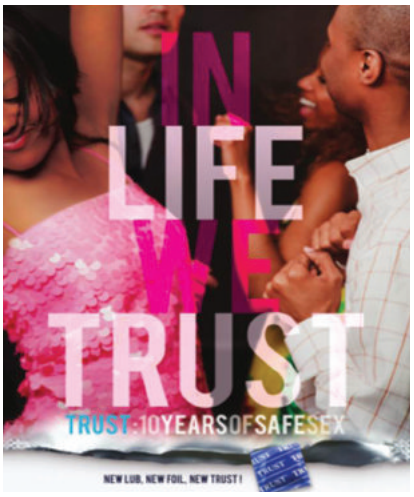
Executive Summary

The prevalence of HIV in Lesotho is among the highest in the world, with almost one-quarter of the adult population infected. Although large-scale HIV prevention efforts have resulted in a 16% decrease in new infections, risky sexual behavior and insufficient levels of condom use continue to drive the HIV epidemic. Male condoms are a vital part of Lesotho's HIV prevention strategy, and because condoms offer dual protection against both HIV and unplanned pregnancy, they also play an important role in meeting the need for family planning.

In Lesotho, the number of condoms needed to protect all sexual acts from HIV infection and unplanned pregnancy (universe of need) is much higher than the actual number of condoms on the market (volume). However, public health efforts encouraging condom use for HIV prevention and family planning have resulted in some very positive trends. Demand for condoms has increased over the years, including among those with higher risk behavior. In 2012, 61% of men and 46% of women reported using a condom the last time they had sex, more than double the percentage in 2004 and more than 25% higher than in 2009. Equity in condom use has also improved. According to recent data, approximately one-third of condom users fall into the bottom two wealth quintiles.

The Total Market Approach (TMA) seeks to maximize market efficiency, equity, and sustainability through the coordination of the public, social marketing, and commercial sectors.

The condom market in Lesotho has traditionally consisted of three sectors: the public sector, which distributes fully subsidized (free) condoms; the social marketing sector, which distributes partially subsidized condoms at low cost; and the commercial sector, which sells condoms for a profit. While the role of the public and commercial sectors has not changed, the social marketing sector no longer sells partially subsidized condoms. In 2012, PSI/Lesotho, the only social marketing organization in the country, transferred the management of its condom brands to PSI/South Africa, a PSI regional branch for Southern Africa. As a result of this change, socially marketed brands that were previously subsidized are now sold at full cost recovery. Despite these improvements, an estimated 60% of the condoms on the market will remain fully subsidized in 2013. Concerns about appropriate pricing strategies, "crowding out" the commercial sector, and inefficiencies in the use of public funds, have prompted UNFPA and PSI to adopt a total market approach (TMA) to help manage the condom supply in Lesotho. TMA requires that all three sectors work together to "grow the condom market" and meet the needs of different segments of the population.



The results of our study yielded several important findings. To meet increasing demand, the three market sectors must address chronic shortages in supply, especially for free condoms. Currently, limited coordination between the sectors and inadequate reporting systems lead to stock-outs that sometimes last for weeks. The commercial sector continues to account for a negligible share of the market, which limits market sustainability. Pricing structures also have a role in building a sustainable market — prices for socially marketed condoms should remain high enough to encourage market participation by commercial brands. This study presents a picture of the current market, analyzes past market trends, and provides a series of recommendations intended to help policymakers, donors, and other stakeholders better manage Lesotho's condom market.

Methods

This list of TMA metrics comes from the literature and a set of metrics PSI has committed to measuring across countries.[1]

METRIC	DEFINITION	CALCULATION
UNIVERSE OF NEED	The number of products or services needed to reach universal coverage in the market	**HIV:** Male population 15-64 multiplied by average number of risky sex acts per man per year **FP:** Female population 15-49 multiplied by method mix multiplied by CYP conversion factor*
USE	The percentage of the population at risk using a product or service, or adopting a behavior	Percentage of males and females reporting condom use at last sex
MARKET VOLUME	The number of products or services sold, distributed or provided in a given market	Total number of condoms distributed in the public, social marketing, and commercial sectors
MARKET VALUE	The dollar value of the total number of products or services in a given market	Average consumer price multiplied by market volume
NUMBER OF BRANDS	The number of distinct brands for a product in a given market	Total number of condom brands on the market
MARKET SUBSIDY	The value of total subsidies (excludes operating and support costs)	For fully subsidized (free) condoms: market volume multiplied by unit cost of goods sold (COGS)**
EQUITY INDEX	The degree to which products or services are used or adopted across socio-economic strata	Percentage of condom users that fall within the bottom two wealth quintiles

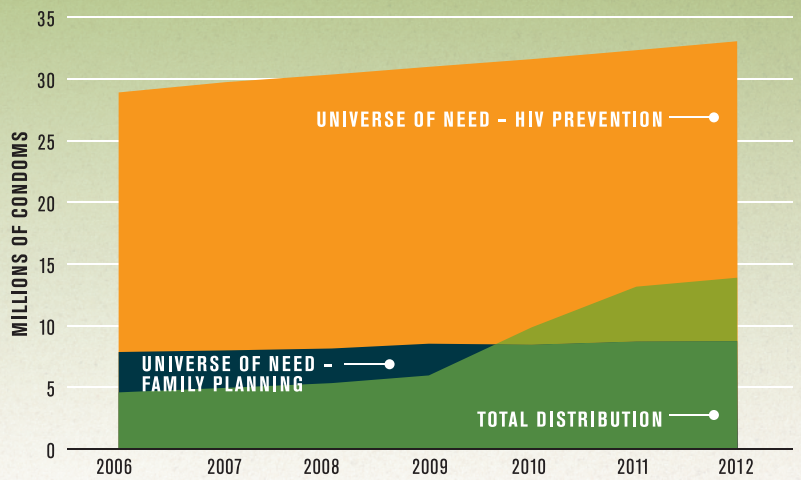
** USAID CYP conversion factors provide the units of products needed per one couple year of protection[2]*
***In cases where some condoms are partially subsidized (e.g., socially marketed), the calculation is "For each brand: the difference between market volume multiplied by COGS, and market volume multiplied by average consumer price."*

State of the Market

UNIVERSE OF NEED

CALCULATION:
HIV: Male population 15-64 multiplied by average number of risky sex acts per man per year

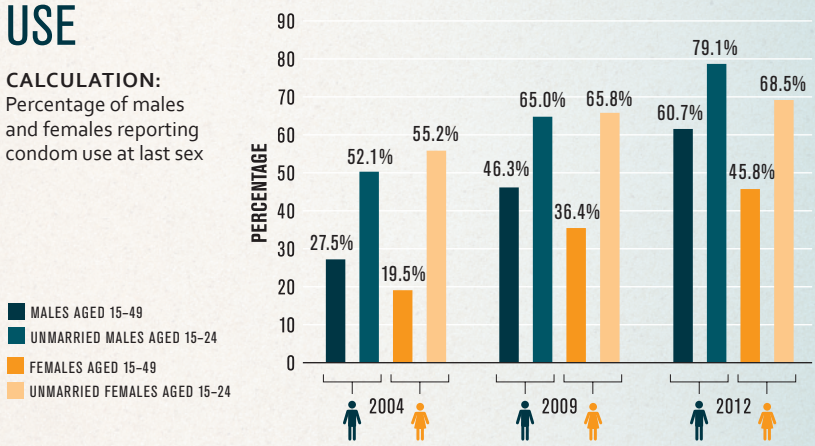
FP: Female population 15-49 multiplied by method mix multiplied by CYP conversion factor



Sources: UNAIDS Investment Framework Study Group[3]; UN Population Division, 2010 revision[4]; Lesotho DHS 2009[5]; USAID conversion factors[2]; Guttmacher Institute. Adding it up: The costs and benefits of investing in family planning and maternal and newborn health (estimation methodology), 2011.[6]

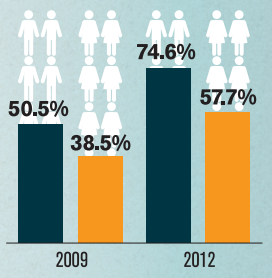
USE

CALCULATION:
Percentage of males and females reporting condom use at last sex



Sources: DHS 2004[7], DHS 2009[5], Soul City Regional Programme Evaluation 2012[8,9,10]

Percentage of males and females with 2 or more sexual partners in the last year who reported condom use at last sex



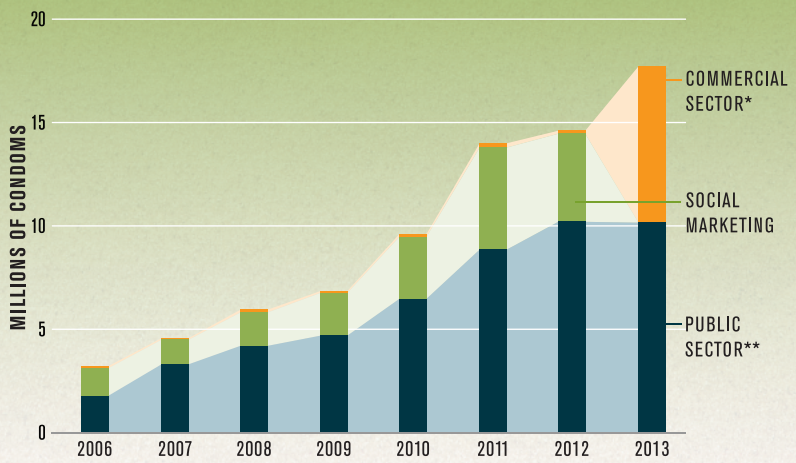
Sources: DHS 2009[5]; Soul City Regional Programme Evaluation 2012[8,9,10]

MARKET VOLUME

CALCULATION: Total number of condoms distributed in the public, social marketing, and commercial sectors

Sources: PSI[11], Lesotho Ministry of Health[12]

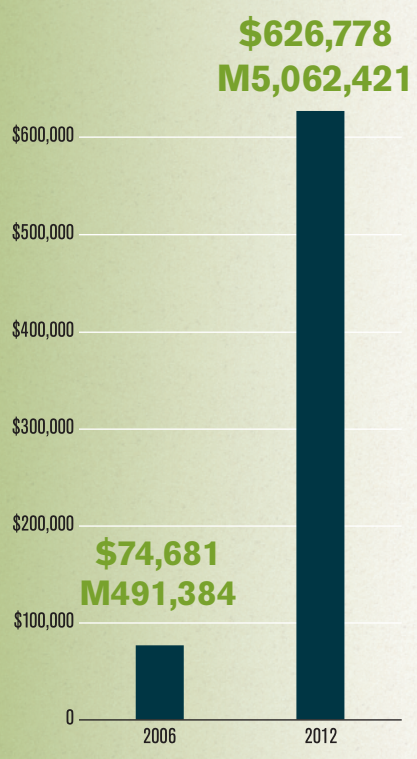
**For 2013, the social marketing sector is considered "commercial sector" because its condoms are profitable. Where official data were unavailable, figures used are best estimates.*
***2012 public sector distribution figures were used for 2013*



MARKET VALUE

CALCULATION: Average consumer price multiplied by market volume

(AVERAGE CONSUMER PRICE) × (MARKET VOLUME) = **MARKET VALUE**



Sources: PSI[11], Lesotho Ministry of Health[12], PSI/Lesotho and PSI/South Africa[13], PSI/Lesotho Competitive Review[14]

NUMBER OF BRANDS

CALCULATION: Total number of condom brands on the market

at least

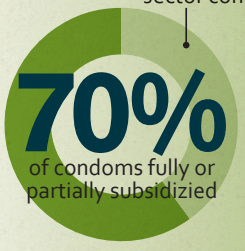
13

different brands of condoms on the market

Source: PSI/Lesotho Competitive Review[14]

SUBSIDY

CALCULATION: For fully subsidized (free) condoms: market volume multiplied by unit COGS



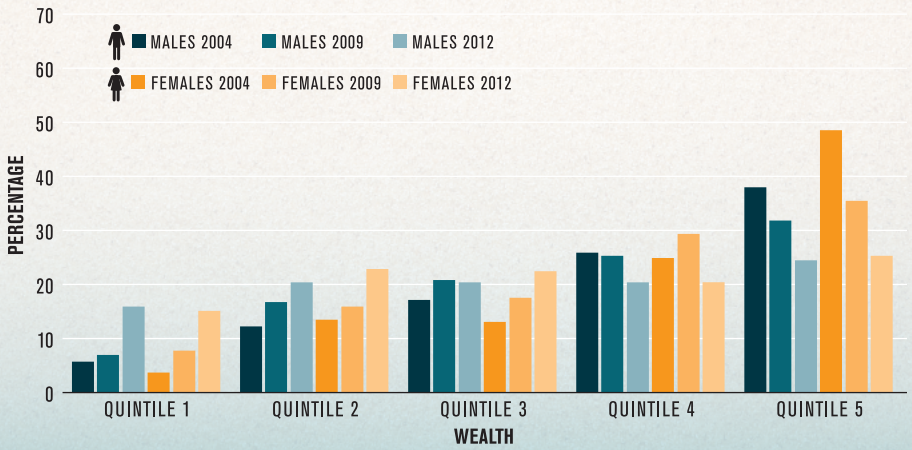
$406,927
M3.3 million

Estimated subsidy for public sector condoms

Sources: PSI[11], Lesotho Ministry of Health[12], PSI/South Africa[15]
** Includes Trust and Lovers + brands*

EQUITY

CALCULATION: Percentage of condom users that fall within the bottom two wealth quintiles



Sources: DHS 2004[7], DHS 2009[5], Soul City Regional Programme Evaluation 2012[8,9,10]

Introduction

HEALTH CONTEXT

The prevalence of HIV in Lesotho is among the highest in the world, with an estimated 23% of adults aged 15-49 infected.[16] Risky sexual behavior and insufficient levels of condom use continue to drive the HIV epidemic. Multiple and concurrent partnerships are common: in 2009, almost half of all men and more than one-quarter of all women reported having two or more sexual partners in the last year.[16] Transactional sex and intergenerational sex are also common in Lesotho.[17]

Male condoms are an important part of Lesotho's national strategy for HIV prevention.

Major HIV prevention efforts have succeeded in decreasing new infections by 16% since 2008, and male condoms remain a critical component of Lesotho's HIV prevention strategy.[18] Condom use is essential for those who engage in casual or multiple partnerships, or when one partner in a relationship is HIV positive. In addition to providing protection against HIV infection, condoms play a role in preventing STIs and unplanned pregnancy. Although the frequency with which condoms are used for dual protection is unknown, approximately one-quarter of Basotho women had an unmet need for family planning in 2009.[16] A consistent supply of high-quality condoms is required to fill the need for both HIV prevention and family planning. It is clear from our research, however, that the current market falls short of meeting those needs. In order to increase condom use and ensure long-term, equitable access to condoms, we are recommending several improvements that should be made to strengthen and stabilize the condom market.

ILLUSTRATIVE OPTIONS

Lesotho: **HIV Situation**

HIV PREVALENCE AMONG
THE HIGHEST IN THE WORLD, APPROXIMATELY 23%[16]

RATES ARE **HIGHER AMONG WOMEN** THAN MEN[16,18]

27% **18%**

RISKY SEXUAL BEHAVIOR REMAINS COMMON[18,19]

Multiple partnerships

Concurrent partnerships

Intergenerational partnerships

Transactional sex

NEED FOR CONSISTENT SUPPLY OF
HIGH QUALITY CONDOMS

The MOHSW is the coordinating body for condom programming

NDSO distributes public sector condoms, with the support of PSI

USAID, Global Fund, UNFPA, and IPPF are major donors for public sector condoms

Marketing and promotion of free unbranded condoms is limited

PUBLIC SECTOR

Prior to 2011, there were two coordinating bodies for condoms, both under the Ministry of Health and Social Welfare (MOHSW). In an effort to improve coordination and efficiency for free distribution, the MOHSW made structural changes and developed a National Condom Strategic Plan (NCSP).[20] A technical working group consisting of the MOHSW and its partners was also formed to improve coordination of condom activities. Currently, the MOHSW coordinates condom programming in Lesotho, including procurement, distribution and promotion of condoms for health facilities, and condom programming for the general public and vulnerable populations. The MOHSW distributes condoms to all government ministries, including the Ministry of Public Service, which facilitates workplace-based HIV programs.

The National Drug Service Organization (NDSO) distributes public sector condoms to health facilities in Lesotho. PSI/Lesotho supports the government with free condom distribution to health facilities upon request, as well as distribution to non-medical sites around the country, including outlets for key populations at risk. The MOHSW uses its own funds for condom procurement as well as funds from donors such as the Global Fund to Fight AIDS, Tuberculosis, and Malaria (the Global Fund), the U.S. Agency for International Development (USAID), UNFPA, and the International Planned Parenthood Federation (IPPF). USAID and IPPF also donate condoms directly to PSI and LPPA. Since 2011, UNFPA has also provided funds for free condom distribution. These funds support PSI/Lesotho, which delivers condoms to public health facilities and nonmedical outlets as needed. While there has been limited promotion and marketing for public sector condoms, PSI/Lesotho started communication activities to promote general condom use in 2009. Public sector condoms are available in public hospitals and health centers, workplaces, hotels and taverns, and institutions of higher learning.

LESOTHO ECONOMIC INDICATORS[21]

- Development category: **developing**
- Income level: **lower middle**
- GDP: **$2.45 billion (USD)**
- Population: **2.05 million**

SOCIAL MARKETING SECTOR

The social marketing sector has changed considerably in the last five years. Prior to 2012, PSI/Lesotho sold subsidized Trust and Lovers+ condoms. In August 2012, PSI/Lesotho transferred the management of its condom brands to a regional foreign branch office of PSI based in Johannesburg, South Africa. PSI's regional office manages procurement, distribution, marketing, and all other activities related to Trust and Lovers+ condoms in Lesotho, South Africa, Botswana, and Swaziland. PSI sells Trust and its brand extension, Trust Studded. It also sells Lovers+ as well as two extensions of the Lovers+ brand: Lovers+ Coloured and Flavoured and Lovers+ Ribbed and Studded. Before this change, a small amount of Trust and Lovers+ sales occurred through a South African distributor that also distributed the two brands to the same supermarket and pharmacy chains in South Africa. This distributor continues to supply those customers as well as new larger customers. More than 75% of Trust and Lovers+ condoms is still supplied through "cash van" operational teams that access stock from the internal supply chain. The brands are widely available in supermarkets, cafes, petrol stations, pharmacies, hair salons, and other businesses. Trust is positioned as a caring brand for couples, while Lovers+, a higher-end brand, has more modern, bold packaging and is positioned as a playful brand.

Since late 2012, steps have been taken to bridge price disparities in the region through price increases for Trust and Lovers+ condoms and to reach full cost recovery. Regional pricing was standardized across all countries and condom brands by April 2013. Consistent price increases over the years, in addition to brand popularity, have allowed Trust and Lovers+ brands to keep pace with inflation and even become profitable. Profits from PSI condom sales in Lesotho are used to support the Trust and Lovers+ brands. The Kingdom of the Netherlands is the main donor for socially marketed condoms; however, a plan to eliminate donor funding is in place and the social marketing sector should become completely self-sustainable by 2015.

PSI is the only social marketing organization with a presence in Lesotho

PSI's regional office headquartered in South Africa coordinates procurement, distribution, and marketing for Trust and Lovers+ brands

Trust and Lovers+ are the only socially marketed brands, and have been profitable since late 2012

Income from Trust and Lovers+ condoms is used to grow the brands

The commercial sector accounts for less than 1% of the total market

The commercial sector is highly unregulated

Commercial brands are available in large supermarkets, liquor stores, and specialty shops

Casanova and Contempo are the most popular commercial brands

COMMERCIAL SECTOR

The commercial sector in Lesotho accounts for a very small share of the total market: less than 1%. Commercial sector condoms are found in large supermarkets, liquor stores, and specialty shops. The market for commercial condoms is unregulated, with a variety of brands coming from unknown sources. At least 11 commercial brands have been identified on the market.[14] Casanova and Contempo are two of the most popular commercial brands available in Lesotho. Casanova is a mid-priced commercial condom and is sold in packs of four, advertising one free condom when you buy three. Contempo and most other commercial brands are more expensive and are positioned as sexual enhancement products.

STEPHANIE O'CONNOR

MARKET MAP (2012)

PUBLIC SECTOR 70%

BRAND NAME: Unbranded
PRICE PER CONDOM (LSL): Free
POSITIONING: None
TARGET AUDIENCE: None
PLACES AVAILABLE: Public hospitals and health facilities, workplaces, some hotels and taverns

SOCIAL MARKETING 29%

BRAND NAME: Trust, Lovers+
PRICE PER CONDOM: from M1.30 for Trust to M4.33 for Lovers+ Coloured and Flavoured ($0.14 - $0.46)
POSITIONING: **Trust**: caring brand; **Lovers+**: modern, playful brand
TARGET AUDIENCE: **Trust**: couples; **Lovers+**: middle income condom users, youth
PLACES AVAILABLE: Shops, supermarkets, pharmacies, petrol stations, mobile vendors and kiosks

COMMERCIAL SECTOR < 1%

BRAND NAMES: Casanova, Contempo, Durex, Lifestyles, Sure, Romantic
PRICE PER CONDOM: Median: M6.14 ($0.76)
POSITIONING: Enhance the sexual experience
TARGET AUDIENCE: Middle-income and wealthy condom users
PLACES AVAILABLE: Large supermarkets, liquor stores, and specialty shops

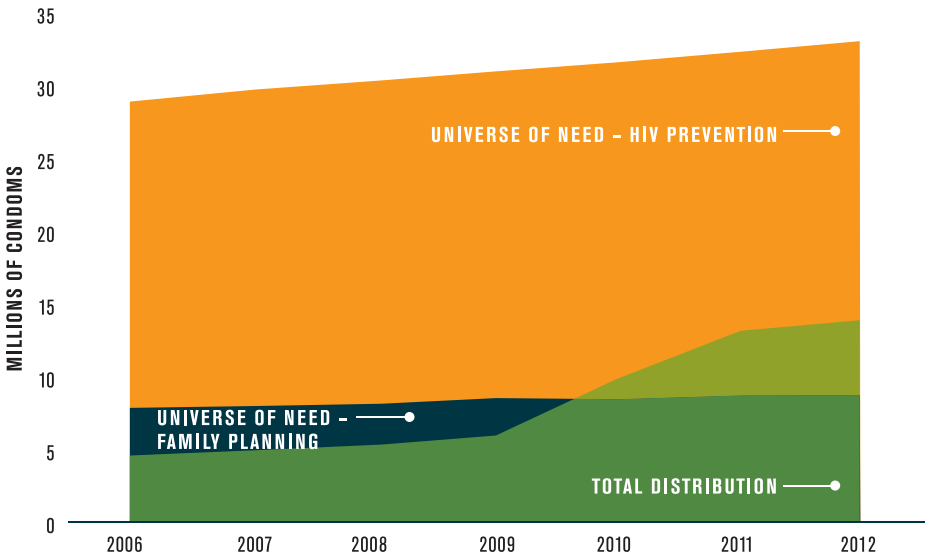
Results

UNIVERSE OF NEED*

In 2012, approximately 32.9 million condoms were needed to cover all risky sex acts, 14% more than were needed in 2006. The need for condoms is expected to increase as the population increases. For family planning, the universe of need increased from 7.7 million in 2006 to 8.4 million in 2012. Since 2009, distribution has met the need for condoms for family planning but still falls short of meeting the need for protection against HIV and other STIs. While the universe of need greatly exceeded total distribution in all years, there was some encouraging growth. In 2012, distribution of male condoms met 44% of the need for HIV prevention, compared to only 11% in 2006.

In Lesotho's current market, the number of condoms needed to protect all sexual acts from HIV and unplanned pregnancy is much higher than the actual number of condoms on the market.

UNIVERSE OF NEED & TOTAL CONDOMS DISTRIBUTED



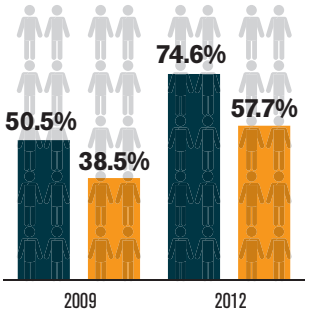
Sources: UNAIDS Investment Framework Study Group[3]; UN Population Division, 2010 revision[4]; Lesotho DHS 2009[5]; USAID conversion factors[2]; Guttmacher Institute. Adding it up: The costs and benefits of investing in family planning and maternal and newborn health (estimation methodology), 2011.[6]

** Total universe of need for condoms could be as low as the number needed for HIV prevention or as high as the sum of the universe of need for HIV prevention and family planning . Most likely, total need falls somewhere between these two figures. A lack of data on dual protection prevents our ability to estimate the total number of condoms needed per year for both HIV prevention and family planning.*

CONDOM USE

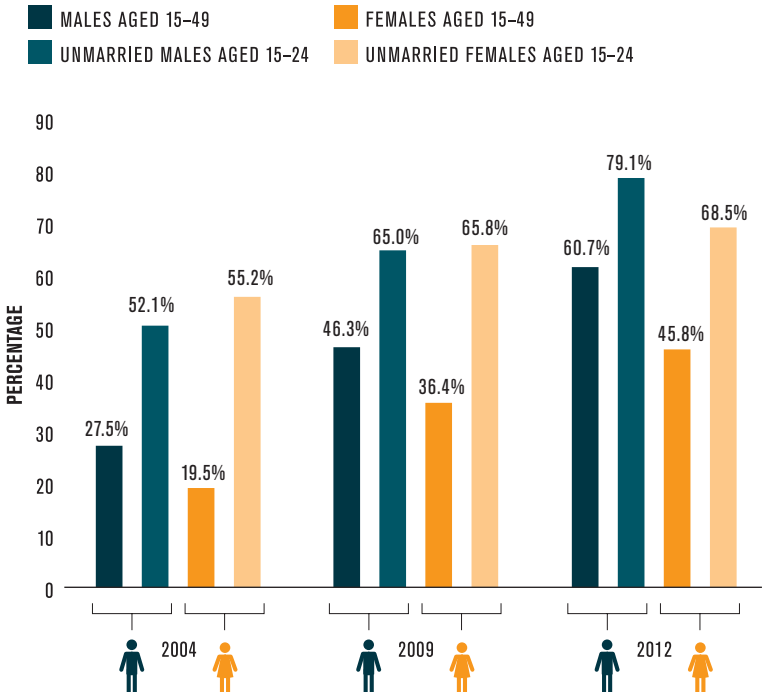
The percentage of males and females who report using condoms increased significantly over they study years, but still remains too low to prevent all new HIV infections. In 2012, 61% of males and 46% of females said they used a condom the last time they had sex, more than 25% higher than in 2009 and more than double the percentage in 2004.[5,7,8] Reported condom use has increased over time among unmarried youth. Increases have been steady and greatest among young men: 52% reported condom use at last sex in 2004, 65% in 2009, and 79% in 2012[5,7,8]. Rates have increased among young women, but by 2012 were not as high as among young men: 55% in 2004, 66% in 2009, and 69% in 2012[5,7,8]. Condom use was also higher among those who reported that they had multiple partners, casual partners or paid for sex in the last year, but levels of use were still inadequate for these populations.[5,7,8,9,10]

Percentage of males and females with 2 or more sexual partners in the last year who reported condom use at last sex



Source: DHS 2009[5], Soul City Regional Programme Evaluation 2012[8,9,10]

PERCENTAGE OF RESPONDENTS WHO USED A CONDOM AT LAST SEX



Sources: DHS 2004[7], DHS 2009[5], Soul City Regional Programme Evaluation 2012[8]

The percentage of males and females using condoms in Lesotho increased steadily between 2004 and 2012, but remains too low to prevent all new HIV infections.

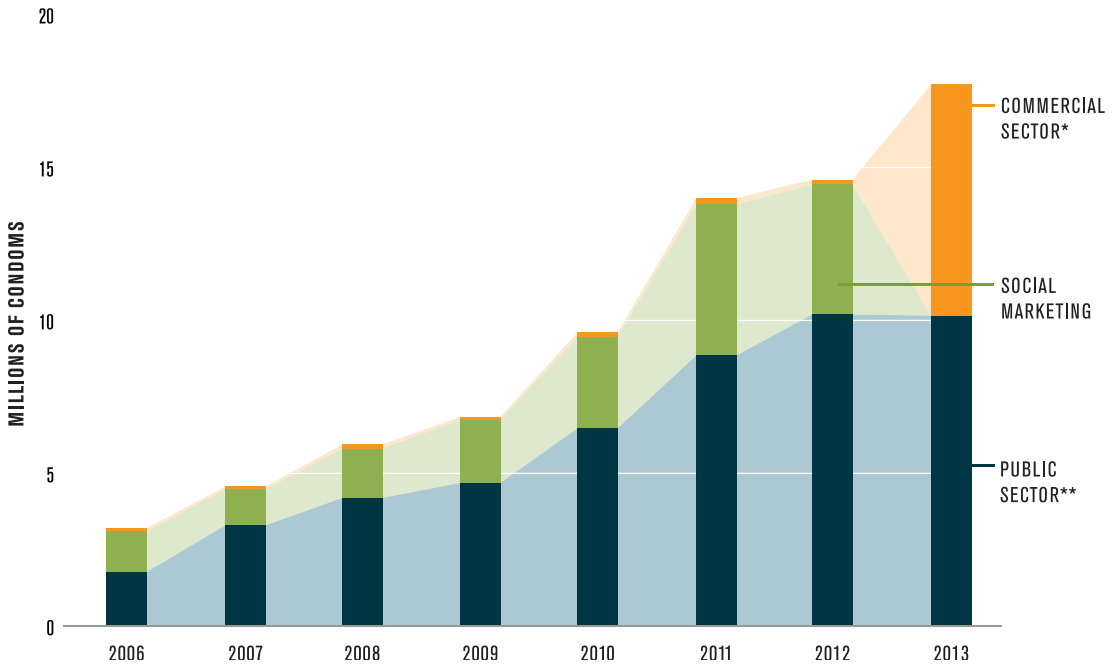
MARKET VOLUME

From 2006 to 2011, the total market volume increased steadily from 3.2 million to 14.5 million.[11,12] Lesotho's condom market has been and remains dominated by the public sector: free condoms account for approximately 70% of the total market. Between 2011 and 2012, the number of public sector condoms that were distributed increased by more than one million. [12] Sales of socially marketed condoms more than tripled from 1.4 million in 2006 to 5 million in 2011, but then decreased slightly in 2012 to approximately 4.3 million.[11] Using projections, it is estimated that more than 7 million Trust and Lovers+ condoms will be sold in 2013. Commercial sector sales are difficult to track and data are unavailable for most years, but it is estimated that the commercial market share was less than 1% in all seven years of the study period. Because socially marketed condoms are now being sold as commercial brands, the commercial sector will account for a larger market share in 2013 and in future years.

ILLUSTRATIVE OPTIONS

Lesotho's condom market is dominated by the public sector.

DISTRIBUTION BY SECTOR



Sources: PSI[11], Lesotho Ministry of Health[12]
**For 2013, the social marketing sector is considered "commercial sector" because its condoms are profitable*
***2012 public sector distribution figures*

STEPHANIE O'CONNOR

MARKET VALUE

The value of the total market for condoms has increased eightfold since 2006.

The value of the total market in 2012 was estimated at $626,778 (M5,062,421), more than eight times the estimated market value in 2006. Price increases for socially marketed condoms took effect in 2009, 2012, and 2013. There is a wide range of price points for condoms. In 2013, prices ranged from $0.14 (M1.30) per condom for Trust to $0.46 (M4.33) per condom for Lovers+ Coloured and Flavoured. Commercial prices continue to vary as well, with a median price of $0.76 (M6.14) per condom.[13,14] Public sector condoms, including USAID's "blue and gold" condoms and the government's silver condoms, have no market value.

(AVERAGE CONSUMER PRICE) × (MARKET VOLUME) = **MARKET VALUE**

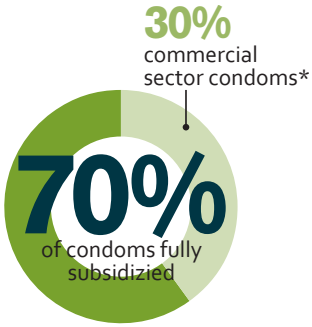
COST TO CONSUMER PER CONDOM (LSL AND USD)

	FREE	TRUST	TRUST STUDDED	LOVERS+ SMOOTH	LOVERS+ COLORED & FLAVORED	COMMERCIAL BRANDS	INFLATION[22]
2006	0	M0.22 $0.03	M0.53 $0.08	M0.78 $0.12	-	-	
2007	0	M0.22 $0.03	M0.53 $0.08	M0.78 $0.11	-	-	8.01%
2008	0	M0.22 $0.03	M0.53 $0.07	M0.78 $0.10	-	-	10.72%
2009	0	M0.28 $0.03	M0.58 $0.07	M0.83 $0.10	M2.29 $0.28	-	7.38%
2010	0	M0.28 $0.04	M0.58 $0.08	M0.83 $0.12	M2.29 $0.32	-	3.60%
2011	0	M0.28 $0.04	M0.58 $0.08	M0.83 $0.12	M2.29 $0.32	-	5.02%
2012	0	M0.83 $0.10	M1.17 $0.14	-	M3.70 $0.45	-	6.10%
2013	0	M1.30 $0.14	M2.00 $0.21	-	M4.33 $0.46	M2.57-M11.17 $0.27-$1.19	

Sources: PSI/Lesotho and PSI/South Africa[13], PSI/Lesotho Competitive Review[14]

SUBSIDY

To ensure sustainability of the market, major changes have been made to the social marketing sector in Lesotho. Donor funding for socially marketed condoms has historically come from the Kingdom of the Netherlands; however, in August of 2012, PSI implemented a full cost recovery plan that will eliminate the need for external funding support by 2015. Because the market is dominated by the public sector, the majority of condoms on the market will continue to be fully subsidized at a substantial cost to international donors. In 2012, subsidies for free condoms were estimated at $406,927 (M4,205,579).[11,12,15] This figure takes into account only the cost of the commodity, packaging, and shipping. Operating and support costs, as well as costs for promotion, are not included in the cost of goods sold (COGS) calculation, which means that the value of subsidies would actually be much higher.



$406,927
M4.2 million
Estimated subsidy for public sector condoms

** Includes Trust and Lovers+ brands*

(AVERAGE UNIT COGS) × (VOLUME OF FULLY SUBSIDIZED CONDOMS) = **SUBSIDY**

NUMBER OF BRANDS

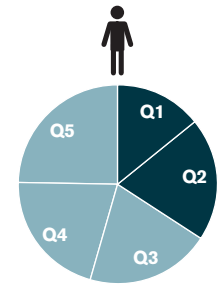
At least 13 condom brands were available on the market in 2011, including two social marketing brands.[14] Many of these brands include brand extensions, which cater to different audiences. Since data on commercial brands are limited, we do not know how many of the commercial brands have had a long-term market presence in Lesotho, but Contempo and Casanova are the most popular. Many of the brands available in Lesotho are the same as those sold in South Africa, like Contempo, Casanova, Durex, Romantic, Sure, and Lifestyles.

at least
13
different brands of condoms on the market

STEPHANIE O'CONNOR

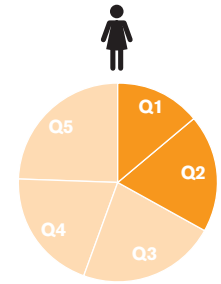
STEPHANIE O'CONNOR

Equity in condom use has improved over time.



34%

of males reporting condom use at last sex belonged to the poorest two quintiles in 2012[8]



33%

of females reporting condom use at last sex belonged to the poorest two quintiles in 2012[8]

EQUITY

Although condom use in Lesotho was previously concentrated in the wealthiest quintiles, this is no longer the case. In 2012, approximately one-third of male and female condom users fell into the bottom two wealth quintiles.[8] This was an improvement from 2009, when less than one-quarter of male and female condom users fell within the poorest two quintiles.[5]

CONDOM USERS BY WEALTH QUINTILE

Sources: DHS 2004[7], DHS 2009[5], Soul City Regional Program Evaluation 2012[8]

Challenges and Opportunities

Since 2006, the number of free condoms distributed in Lesotho has increased, and the social marketing sector for male condoms experienced substantial growth as well. There are still many improvements that need to be made, however, to meet the country's need for male condoms. Although rates of condom use have risen significantly, too few people use condoms to prevent all new HIV infections and STIs. It is vital that condom use continues to increase, especially among those who have casual or multiple partnerships. There is a need for increased behavior change communication to continue emphasizing the importance of consistent and correct condom use.

Although the problem of national stock-outs has been eliminated, the market continues to suffer from an irregular public sector supply, which causes frequent shortages of free condoms at the district level. Inadequate monitoring and reporting systems contribute to this problem by making it difficult to forecast how many condoms are needed. Recently, the MOHSW and its partners have worked together to develop the National Condom Strategic Plan. This plan seeks to address the challenge of coordinating stakeholders, ensuring commodity supply and security, improving access and use, as well as monitoring results by calling for strategies that promote efficiency and effectiveness in prevention activities, including condom distribution.

The value of the total market has tripled in the last six years and is projected to grow as both market volume and price increase. PSI's change to a cost recovery model indicates progress towards sustainability. However, approximately half of the Lesotho market is fully subsidized and more condoms are needed. Market equity has also improved but condom use is still concentrated in the wealthiest quintile. More effective targeting of free condoms and demand creation will help increase use among poorer quintiles and make the market more equitable.

GAPS AND BARRIERS

- Informed demand for condoms remains too low to prevent all new HIV infections
- There are frequent stock-outs of free condoms
- Monitoring and reporting systems are weak
- Coordination between all key stakeholders for condoms must be improved
- There is insufficient targeting of free condoms

Recommendations

Our research yielded the following recommendations for policymakers, donors and other stakeholders. Recommendations come from a TMA perspective and are intended to support the three sectors – public, socially marketed, and private – to work together to grow and sustain Lesotho's condom market.

INCREASING INFORMED DEMAND

Although condom use has increased, many people at risk for HIV and unplanned pregnancy in Lesotho do not use condoms. Additional condom promotion and behavior change communication is critical, with an emphasis on communications that promote both generic and branded condoms and boost consumer confidence in condoms. Research is needed to identify main reasons for non-use and to improve targeting of key populations, including youth. A free branded condom targeting youth is already being developed. Increased promotion for free condoms is necessary, and communications should aim to strengthen consumer trust in free condoms by emphasizing their high quality.

IMPROVING COORDINATION BETWEEN KEY STAKEHOLDERS

Improved coordination between government entities, donors, and distributors is needed to ensure a consistent supply of free condoms. Public sector stock-outs are likely to lower condom use and hurt market equity by disproportionately affecting the poor. Condom procurement should be improved to ensure an adequate, consistent supply of male condoms. Enhanced communication between all stakeholders in Lesotho's male condom market would help improve market efficiency, prevent supply shortages, and ensure that products are not wasted. Collaboration between key stakeholders could also help strengthen condom promotion activities.

EQUITABLE DISTRIBUTION

Free condoms should be targeted at those most in need and unable to pay. Effective targeting and a consistent supply of free condoms would further improve equity by helping ensure that subsidies are reaching the poor. Research is needed to better understand which groups should be targeted and how best to promote and distribute condoms to each of them.

SUPPLY CHAIN MANAGEMENT AND REPORTING

Although steps have been made to strengthen supply chain management, improvements are still needed. Information on condom stocks at the district level should be collected and reported regularly to prevent stockouts and forecast how many condoms are needed on the market. Consistent reporting would facilitate efficient and effective decisions by development partners, the MOHSW, and other stakeholders. A common data repository might be one way for sectors to work together to share select information that would benefit the total market. A common data repository would enable tracking volumes of condoms distributed at the district level. Information on dual protection and other TMA metrics should also be collected in national surveys. This information would permit more accurate estimates for the universe of need for male condoms and other market indicators.

PRICING

Price increases for socially marketed condoms in Lesotho have already helped improve market sustainability. Ensuring that condom prices are set at competitive market rates is one way to improve sustainability. Condom prices should continue to increase to keep up with inflation and to encourage participation from the commercial sector.

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Acronym Key

COGS	Cost of goods sold
DHS	Demographic and Health Survey
IPPF	International Planned Parenthood Federation
LSL	Lesotho Loti (currency of Lesotho)
MOHSW	Ministry of Health and Social Welfare
NAC	National AIDS Commission
NCSP	National Condom Strategic Plan
NDSO	National Drug Service Organization
NGOs	Non-governmental organizations
PSI	Population Services International
STIs	Sexually Transmitted Infections
TMA	Total Market Approach
UN	United Nations
UNFPA	United Nations Population Fund
UoN	Universe of need
USAID	United States Agency for International Development
USD	United States Dollars

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