PSI’s social marketing makes a critical difference in the health of men, women and children around the world.
PSI has wonderful stories to tell...

Imagine your children living in the rural area of a developing country... with no medical insurance, no doctor or hospital, little cash, and no reliable means of transportation apart from their own two feet. Imagine they suffer from anemia and a poor diet, but work hard every day growing crops and preparing food without piped water or labor-saving appliances. Their mother would like to postpone pregnancy until she has harvested her crops and paid back small loans.

This is precisely where more than a billion of our children live their lives. For the past 30 years, Population Services International (PSI) has been there, too. We are grateful for being able to help empower millions of low-income women and men worldwide to make better lives for themselves and their children. This report shares a few of their inspiring stories.
REPORT FROM THE PRESIDENT

Better Health in the Last Decade and the Year 2000

AS PSI ENTERS THE 21ST CENTURY, WE CAN look back with pride on all we have achieved over the last decade. Our network of nonprofit organizations—now operating in almost 50 developing countries and employing nearly 2,000 people—has shown that social marketing can efficiently deliver large quantities of health products to the poor and can inspire healthier behavior.

One example of this success has been the remarkable expansion of family planning and AIDS prevention in Africa. When PSI started its first African social marketing project in Zaire, the use of condoms was uncommon. Today, lower income people in most of sub-Saharan Africa can space births and avoid HIV/AIDS if they choose—because a nearby PSI office is making products or services available at affordable cost. Last year alone, PSI prevented tens of thousands of cases of HIV/AIDS and provided enough contraceptives to protect over 13 million people from the consequences of unintended pregnancy.

PSI has expanded its programs to include insecticide-treated nets that help the poor avoid malaria, iodized products that prevent the deformities and IQ loss of iodine deficiency, oral rehydration salts that help children survive bouts of diarrheal diseases, water purification products to avert those diseases, and multivitamins that
afford mothers healthy pregnancies and healthy babies. In Pakistan alone, PSI and Social Marketing Pakistan have introduced family planning services and products in thousands of Green Star clinics and pharmacies.

We have introduced life-saving health products to many countries, like Cambodia, where the poor had never before had the chance to obtain these products or information about how to use them. We have revitalized and dramatically increased the reach of social marketing programs started by others in places like Rwanda, Zimbabwe, Tanzania, Bolivia, and Nigeria.

What are our challenges for the 21st century?

We must increase the health impact of our programs by promoting positive behavior change, so that more people will exercise their free choices for a healthier life. We must increase product sales and the range of reproductive and other health products and services we offer.

How will we achieve all this?

• We will continue our bottom-line approach, focusing on the quantity and cost-efficiency of health impact. We will continue to prize entrepreneurship and speed, because the poor desperately need these health opportunities now.

• We will not forsake the poor. Social marketing allows us to recover a meaningful portion of operational costs, but we will resist raising prices beyond those levels low-income people can afford.

• We will continue to stimulate both supply of and demand for health products and services. To motivate product demand without providing an easily attainable product leaves a willing customer who cannot satisfy his demand. And effective education and communications can not only increase product use but also improve health in a variety of ways far beyond product use.

• Finally, we will continue to ensure that our projects are sustainable by building institutional and local human capacities. The enhanced capacity of our affiliates allows our contribution to be long-lasting—an essential feature of our work, because there is no quick fix to the health needs of most developing countries.

All of this achievement has been and continues to be made possible by our generous donors, the individuals, foundations, and governments who allow us to innovate and distribute health care, family planning products and services at prices lower income families can afford. We thank you on their behalf, and thank you for the privilege of serving them.

Richard A. Frank
President

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Richard A. Frank
President
What Do We Do?

Where public health care facilities are scarce or overtaxed, and for-profit clinics and products are beyond the reach of people earning barely $2 per day, PSI fills a critical gap. We do this by harnessing the size and strength of the existing retail distribution networks across five continents.

Private sector street vendors, market stalls, pharmacies, and food shops have established efficient distribution networks throughout the developing world. But these vendors have no incentive to stock contraceptives, oral rehydration salts, vitamins, or other health products—unless these life-saving technologies are priced at rates their customers can afford, yet with enough profit margin to help the vendors stay in business.

To reach the underserved poor, PSI products and services are subsidized with donor funds. Our products are sold at prices low-income consumers can afford (rather than given away free) so that people will value and use them, and so that many thousands of small retailers can be compensated in part and motivated by the sales revenues they generate. Our operations are therefore partly self-sustaining. PSI’s price structure minimizes waste and maximizes the cost-effectiveness of our operations. Wherever possible, PSI distributes a variety of health and family planning products to maximize health impact at the lowest possible cost. Once retailers find PSI products are in high demand, they become enthusiastic partners in our international network.

Our widespread network of neighborhood retail outlets is accessible and user-friendly to many groups (the young, the unmarried, the rural, the poor) who may be reluctant to seek family planning or other health services in clinical settings for a variety of personal, cultural and economic reasons. PSI’s service delivery model can be scaled up quickly, with just a few dozen trained staffers, to reach and serve hundreds of thousands of customers nationwide in a short time frame.

The success of these distribution networks is supported by PSI’s strong public education and promotion campaigns. We use highly visible, popular, creative venues—billboard advertising, radio talk shows and ads, television soap operas, comic books, magazine articles and newspaper ads, posters, logo merchandise like T-shirts and baseball caps, as well as sporting events and rock concerts—all to raise public interest in safe, affordable products to protect health and plan families. PSI orchestrates the simultaneous promotion and delivery of products and services that are packaged specifically to appeal to local consumers. We train health professionals and peer educators, and have developed strong youth-outreach programs in many countries.

PSI affiliates are staffed by approximately 1,800 developing-country nationals, who recruit local retailers and wholesalers to build up our far-reaching distribution networks. In addition to helping support the thousands of retailers who stock our products, we use local advertising and design firms; generate programming for local radio, tele-

Social Marketing

Social marketing is one of the strongest tools we have for empowering low-income people to lead healthier lives. Social marketing harnesses existing commercial and non-profit channels to get people the information they need, to make health products and services widely available at low cost, and to motivate people to use them and engage in other healthful behavior. PSI’s social marketing creates well-informed demand as well as widely accessible, affordable supply.

Fishermen on the Ayeyarwady River in Myanmar reviewing reproductive health information. PSI/Myanmar has several strategies to reach mobile, river-based populations.

Each new project for insecticide-treated nets is geared toward behavior change from the outset. In this drama, two PSI promoters demonstrate humorously the benefits of using nets and reattaching them with insecticide to prevent malaria.
vision, and billboard companies; rent warehouse storage facilities; train student counselors; and transfer skills and know-how to all who work with us in advancing humanitarian health goals.

A typical PSI affiliate employs about three dozen local professionals and spends less than $2 million per year to procure, package, promote and distribute its health care and family planning products under challenging or even hardship conditions. Despite the modest size and resources of these local organizations, they are typically leading contributors to contraceptive use and improved health in their countries.

These PSI entrepreneurial operations advance the public health agenda for low-income people around the world. The collective success of our affiliates has made PSI the largest nonprofit distributor of family planning products in the developing world today. PSI packages, ships, and distributes more than half a billion condoms annually. We are a major distributor of oral contraceptives, injectable contraceptives, IUDs, female condoms and emergency contraception. PSI distributes 80% of all contraceptives available in Nigeria.

We shield millions of people worldwide from the ravages of HIV/AIDS. PSI put condoms on the map in Africa, where HIV rates exceed 25% of the adult population in some countries, and where AIDS has left millions of orphans. In less than a decade, PSI affiliates have introduced condoms throughout much of the continent, making them as commonly available as kitchen matches. We also address the health needs of mothers and children (and families) by marketing oral rehydration salts, insecticide-treated malaria nets, iodized salt, vitamins, water treatment products, and both pregnancy and HIV test kits.

Because PSI’s work is carried out by committed local staff, who rely on central procurement and economies of scale to lower costs, PSI’s demographic and health impact is achieved at a low per capita cost that few other health programs can match—typically less than $5 per person served per year. At the same time, PSI also builds the human capital and the private sector capacity of the countries where we operate.

PSI affiliates protect maternal and child health, address population problems and HIV/AIDS, and build free enterprise and economic infrastructure—all simultaneously and at very low cost.
What Makes PSI Different?

• **PSI is run like a business.** Unlike many traditional public health programs, we use commercial marketing techniques. A visitor to a PSI project finds staff who are studying sales trends or meeting with advertising agencies to review proofs of the latest ads. These professionals use their private sector know-how to reach people in need at the lowest per capita cost.

• **PSI involves private sector partners.** PSI uses the dynamism and resources of the private sector to achieve social goals. By giving wholesalers, retailers and distributors reasonable profit margins, PSI enlists the support of hundreds of thousands of private merchants. In Pakistan, for example, PSI/SMP products are available at over 30,000 commercial outlets, while over 11,000 private sector health providers participate in PSI/SMP’s Green Star Network of health clinics and pharmacies.

• **PSI’s focus is highly practical.** PSI does not invest its efforts in pure research or international conferences on public health. Instead, we do concrete programming on the ground, to help alleviate health problems directly. Nearly 90% of our annual budget is allocated to programs. PSI’s focus on implementation means fewer children die from diarrhea or malaria, because they have access to ORS and ITNs; more couples can avoid unwanted pregnancies, because they learn about family planning and can afford the high-quality contraceptives that we help make readily accessible; and fewer people get HIV/AIDS or other sexually transmitted diseases, because they can understand our television and radio ads and buy our reliable, inexpensive condoms.

• **PSI’s decision-making is decentralized.** PSI empowers its staff in the field to make program decisions, granting them an uncommon level of authority and autonomy. PSI allows those closest to the action and local setting to make decisions that result in effective, adaptive in-country programs.

• **PSI’s management is results-oriented.** Like any private sector company, PSI manages by results and holds staff accountable for results. Sales of each of PSI’s 136 brands are tracked monthly. Sales trends are an important indicator of potential health impact. Staff members are also responsible for the achievement of other important objectives, such as increasing sales to at-risk groups, product accessi-
Why It’s Important to Act Now

Millions of young women, family breadwinners, and children die needlessly every year from easily preventable causes. Simple, affordable health products and services exist that could save their lives.

Unfortunately, such health products and services are not always available, affordable, or understood by the people who need them:

- Over half a million women die each year from pregnancy-related causes (approximately one woman every minute of every day), 99% of them in the developing world. Forty percent of the world’s women do not have access to reproductive health care services; 120 to 150 million women want to limit or space their pregnancies, but do not have the means.

- Malaria has killed more people in the tropics every year than any other infectious disease, while also impairing economic and social development through its debilitating effects on families and communities. It is the leading cause of infant mortality in Africa.

- Diarrheal disease is the second leading cause of mortality in children under age five. An estimated 80% of all illness in the developing world is caused by lack of clean water and proper sanitation.

- AIDS has killed over 16 million people. Last year, 5.6 million people became infected with HIV (2.3 million were women and 570,000 were children under the age of 15). In 1999, 2.6 million people died from AIDS, and 33.6 million were living with HIV/AIDS. Over 70% of HIV infections worldwide are the result of heterosexual transmission.

- More than one billion people are disabled by micronutrient deficiencies. Without iron, vitamin A, folic acid, zinc, and iodine, the body ceases to develop and function properly.

  — Iodine deficiency is the most common cause of preventable mental impairment worldwide. For lack of the equivalent of one tablespoon of iodine spread over an entire lifespan, millions of people suffer goiter and reduced intelligence.

  — Each year 250,000 to 500,000 children become blind due to vitamin A deficiency, and two-thirds of these children are likely to die as a result of their disability.

  — More than half the people on earth (two-thirds of those in the developing world) suffer from anemia, which impairs the cognitive development of children, causes productivity declines and school absences, and increases maternal morbidity and mortality.

PSI programs deliver affordable health products, services, and information that save lives and give children a chance. PSI programs do so at a low per capita cost that few other health care delivery models can match. The humanitarian, social and demographic impact of PSI’s programs is significant, especially in poor communities.

These successes have a human face: the truck driver who does not contract AIDS on the road and bring it home to his family; the high school student who avoids pregnancy and can continue her studies beyond the 10th grade; the young mother who can fully recover from her first pregnancy before the next one is upon her; the child who survives repeated waterborne infections, thanks to oral rehydration salts.
PSI’s Partners

PSI could not reach the millions of people that it does, nor operate at the national level in almost 50 countries, without the many capable partners we have around the world.

Donors are partners—and investors—in PSI’s programs. Governments, international agencies, private foundations, corporations and individuals all help to fund PSI’s operations. Private donations play an essential role by providing seed capital for operations and funds that keep programs alive during gaps in government or multilateral agency funding. As full partners in PSI’s multinational network, donors provide strategic and technical guidance, while also holding PSI accountable for results. PSI/Europe attracts European funding for programs implemented by PSI affiliates in the field, while providing technical assistance throughout the network.

Host governments understand that PSI provides critical health benefits to their countries. They routinely provide technical, financial, legal, and regulatory support to PSI operations. The Government of India provides more than $1 million in subsidies to PSI/India for contraceptive social marketing; the Government of Botswana provides more than 2 million condoms per year and over 40% of PSI/Botswana’s operating funds; the Government of Kenya has donated more than $400,000 in free air time to support PSI/Kenya’s AIDS prevention campaign. Numerous other governments have also contributed generously to PSI’s programs.

PSI collaborates with local NGOs wherever we operate. We have partnered with PROSALUD, the leading health NGO in Bolivia, to manage social marketing operations there. In Pakistan, PSI partners with Social Marketing Pakistan Ltd. to implement one of the largest health services social marketing programs in the world. Globally, we partner with dozens of other NGOs who bring energy and talent to our program efforts. We also join with community-based organizations that have strong contacts and credibility with at-risk populations. PSI effectively harnesses the vast energy and extent of the commercial sector to improve the health of low-income people. We capitalize on the efficiency and profit motive of businesses worldwide. Pharmaceutical companies donate contraceptives to PSI’s programs to jump-start markets. Private sector clinics incorporate reproductive health services because PSI has shown them the operational benefits of doing so. PSI’s health products are available in hundreds of thousands of retail outlets around the world because commercial distribution networks have enough motivation to sell these products. We also use private sector advertising and research agencies to develop state-of-the-art public education and health product promotional campaigns. These campaigns win awards—but more importantly, they win the hearts and minds of the millions of families who are encouraged to live healthier lives.

PSI wishes to thank and to congratulate each of its partners for helping us better the lives of millions.
Ensuring Program Continuity

PSI’s affiliates operate in an environment of financial uncertainty. In any year, at least 10% of these affiliates face interim funding shortfalls. PSI has had limited discretionary funds to rescue such projects, despite their enormous value.

In 1997, the PSI Partnership Fund was established with a foundation grant of $1 million. Its purpose is to enable PSI to make emergency disbursements to affiliates whose funding is interrupted or delayed. In the three years of the fund’s existence, 16 country programs have been sustained or rescued through this emergency support, for a fraction of their replacement value.

*These countries are home to 1.5 billion people—a quarter of all humanity.*

PSI’s practical, cost-saving method of bridge funding and emergency support maximizes the ability of our nearly 50 affiliates to ensure the stability and high impact of their programs.

The successful establishment of these programs takes years of effort, investment of substantial capital, and recruitment and training of scores of professionals. Yet a six-month gap in funding can completely shut down an effective distribution network that took years to build. During the funding gap, trained staff take other jobs or move away. Distributors hoard inventory and raise prices because they are unsure whether they will be resupplied. Formerly conscientious contraceptive users risk becoming pregnant or disillusioned about the reliability and value of family planning.

*PSI’s Partnership Fund protects the decades of value invested in existing distribution networks and reduces the risk that men and women will lack the supplies they have come to trust and rely on.*

Having worked long and hard to build such trust, we naturally prefer to keep it. PSI hopes to attract more donor support for the Partnership Fund to sustain deserving and successful programs facing interim funding gaps.

The Russian rock band “NaNa” teamed with PSI for the ‘New Generation For Safer Sex’ campaign.

The Society for Family Health (SFH) reaches thousands of sexually active youths with innovative peer education programs such as this highly decorated AIDS club in South Africa.

PSI/India focuses on giving women the information and products they need to make an informed contraceptive choice.

PSI/Haiti delivers health messages at a local carnival.
Veena Devi and her husband are elated that their three children are healthy. But their family is now as large as they want.

Veena Devi and her husband were thrilled with the birth of their second child two years after the first. But when Veena became pregnant again a few months later, enthusiasm flagged. “I was tired all the time. I didn’t have enough milk. The baby was sickly and not growing well. I was fired from my job because I had to miss work often to take the baby to the hospital.”

Fortunately, Veena’s children survived and so did she. For many Indian women, the prospects are not so good. For 1998, the World Health Organization estimated 125,000 Indian women died from maternal conditions and 7 of every 100 Indian babies failed to reach their first birthday. India’s total fertility rate—the average number of children born to a woman during her lifetime—is a relatively high 3.4. Research has found that higher fertility rates correlate clearly with higher rates of both maternal and infant mortality. Mothers and babies are both more likely to survive when babies are born at least two years apart. Many lives could be saved if couples were able to space their children, and mothers had the time to recover from pregnancy and to give each baby the attention it needs.

In many developing countries, too many and too frequent pregnancies and resulting poor maternal and child health drag millions of families further from the promise of a better life. More than 30% of married women in some countries...
Through programs that span five continents, PSI provides many choices of low-cost, high-quality family planning products.

say they would use family planning services if only they were available. **Almost half the pregnancies in the world today are unplanned.** These children have less chance of attending school and little chance of breaking a seemingly endless cycle of poverty. In India, just one-third of women can read and write in rural areas, where 75% of its one billion people live.

Veena herself wanted something better. But she had heard questions about the safety of family planning methods from her friends. They claimed that the local government service was “more concerned about reducing numbers than caring for our health.” Finally, Veena saw a poster for PSI’s **Pearl** oral contraceptive in her doctor’s office and asked what he thought. Having been visited by a PSI representative recently, he could recommend **Pearl** confidently as a high-quality, inexpensive product.

Because of misconceptions about family planning in India, PSI’s program there presents information clearly and reassuringly. It collaborates with doctors, pharmacists, and other retailers, and stocks hundreds of thousands of outlets to improve contraceptive access and choice. With support from the German Kreditanstalt für Wiederaufbau (KfW) and British Department for International Development (DFID), as well as several private foundations, PSI/India markets and promotes a variety of low-cost contraceptives, along with the information people need to protect themselves from unwanted pregnancies and sexually transmitted diseases, including HIV/AIDS. It uses the same outlets to market oral rehydration salts to protect children from the often fatal effects of diarrhea. Recently, PSI/India has been expanding its focus to India’s poorest rural areas, which are more difficult to serve but are most in need. Veena must work from home at night to supplement the $35 that she earns monthly from the factory. “Every rupee counts,” she says, “but the 5 rupees (12 cents) that I spend on **Pearl** each month is the best investment I could make in my children’s future. I’m proud that my girls are healthy and still attending school.”
When the young model Alina Ghimis first got involved in PSI’s Romanian project, she said, “I hardly understood a thing about safer sex.”

Sexual relationships, sexual infections, condoms — almost everything about the subject of sex was really news to me. In this society, it has been hard to come by reliable information. Open talk of sexuality has been practically taboo.

Until just a decade ago, Romanians had been subject to strictly enforced policies encouraging births and prohibiting contraception. Even today, with these laws reversed, sex education is not covered in the school curriculum, and
abortion rates remain high, reflecting common ignorance of birth control. Today, as many as 20,000 Romanian people are infected with HIV. The country has the highest rate of syphilis in Europe and high rates of other sexually transmitted infections. For all these reasons, PSI initiated its Romanian project, with the help of funding from the Dutch government’s MATRA program, UNICEF, and UNAIDS, and valuable contributions from the Romanian NGO ARAS, the Romanian government, and the advertising agencies Bates and “141.”

Given the lack of information available to the average Romanian, Alina says, “The first ad for the Love Plus condom came as a shock. But it presented information very clearly, and in a way that made us laugh.” Dynamic ads in MTV style talked about condoms and protection. They also offered a catchy slogan: ‘I do what I want—but I know what I’m doing.’ “These ads captured the attention of young people, and of older people, too. You began to hear the slogan everywhere.”

Then I was amazed to find myself selected for some of the new Love Plus advertising spots. They seemed daring to me at first, but I took on the acting assignment as a challenge.” These humorous spots, set in an elevator and a photo booth, were chosen by the readers of the Romanian TV guide as the best Romanian commercials of 1999. They went on to win several prestigious international competitions in advertising and widespread recognition as model public service announcements based on NGO-public-private collaboration.

Other creative techniques were used to promote condoms as well. The best-known Romanian rock band, “Holograf,” released a CD packaged with a Love Plus condom and an educational message from the band’s leader. This was the bestselling album in Romania that year. Other pop stars were recruited to talk about their sexual experiences on Romanian television—about what they had done right and wrong—stressing the need for protection. The PSI-sponsored Safer Sex Caravan traveled to high-risk areas for youth, working with local media and NGOs to entertain and educate young people through popular activities like beach games and contests. One caravan reached young people from all over Romania at Black Sea vacation spots.

Today more than 70% of urban Romanian youth 15 to 24 years of age have seen or heard Love Plus communications. A recent national survey found that condom use has increased 43% among unmarried young women over the past three years, a period during which PSI/Romania had the only nationwide youth-focused condom promotion program in the country.

PSI promotes better health by targeting high-risk groups, whether youth in Romania or Haiti, truckers in Bombay, or mothers in Pakistan. Numerous other PSI youth HIV/AIDS/STI prevention programs have also been established, in Albania, Russia, and dozens of other countries, as well as in PSI’s original U.S. model program for youth, Project ACTION.

About the approach used in Romania, Alina says, “It’s easier to talk to your peers. They understand what you are going through and can give you the right piece of information or advice. After I got involved with the PSI team, I read a lot of their materials and talked with the volunteers. Now my friends and neighbors actually ask me for advice. It has been fun—but above all useful. My own sexual life would have been very different without everything I learned.”
Only eight months old, Abdullah Shaban is already ill with malaria—a disease that kills one child every 30 seconds.

Abdullah Shaban was born two months premature, severely underweight, because his mother Rose had malaria at the time.

Not long after arriving in the world, Abdullah himself was bitten by a mosquito at night and began to show symptoms of malaria. Rose waited, worrying about the cost of treatment and hoping he would pull through. But after a rough and frightening week, she knew she had to get him to a hospital. Yet Abdullah’s first week of treatment alone—at $15—took a quarter of his father’s monthly wage as a seller of second-hand clothes.

Abdullah was extremely lucky—but many other children are not. More than 75,000 children under five die from malaria in Tanzania each year. Millions of adults are also chronically debilitated by the disease. In Africa alone, the roughly 300 million malaria episodes suffered each year result in well over a million deaths.

Malaria’s economic costs are equally staggering, with about 20% of household expenditures and 40% of health facility expenditures in Africa devoted to treating the disease.

The World Health Organization has estimated that insecticide-treated nets could reduce childhood mortality by as much as one-third in malaria-stricken regions. One-half million children could be saved every year by the use of these nets—at minimal cost.

Abdullah had previously slept under a net in his parents’ bed, but Rose had not treated the net with insecticide. Now, extremely grateful that her baby lives—and finding out how much better prevention is than cure—she has decided to treat the family’s net in the future. Today there is a readily available, low-cost PSI product, *Ngao* (“shield” in Kiswahili) that enables her to do this. *Ngao* is an insecticide tablet
PSI’s promotion of mosquito nets and insecticide retreatment has helped reduce malaria-related illnesses, deaths, and economic hardship.

packaged for home treatment of a single net. People who have used Ngao are pleased with the treatment—it is quick, easy, inexpensive, and required only every few months. One Ngao treatment tablet costs just US$0.51, while PSI’s net retails for only US$3.20 to US$4.74, depending on size.

Sponsored by the British Department for International Development (DFID) and in collaboration with Tanzania’s Ministry of Health and National Malaria Control Program, this PSI insecticide-treated net project is the largest project of its kind in Africa. A World Health Organization/Roll-Back Malaria case study found the project to be a model public-private partnership. PSI also runs 10 other insecticide-treated net programs—in Benin, Kenya, Rwanda, Namibia, Zimbabwe, Zambia, Uganda, Mozambique, and Malawi—and in Bolivia as well. As of January 2000, more than 350,000 Ngao tablets had been sold in Tanzania. The project will expand from the four successful pilot areas to a nationwide effort.

In addition to treatment tablets, all these PSI projects promote and distribute mosquito nets themselves. In Tanzania, they are sold under the brand name Njozi Njema (“Sweet Dreams”). But in the project’s early days, the decision was made to promote the treatment tablet Ngao first. The point was to encourage people to treat the nets already in use and to increase commercial net sales. Recently, one net manufacturer reported that PSI’s Tanzania project increased the sales of commercial nets overall, while bringing their prices down. New manufacturers have entered the market, and the nets available today come in more colors, shapes and sizes. Wherever possible, PSI aims for just such a “halo effect” in the sales of commercial products, to strengthen businesses and their markets.

As in all PSI programs, one of the goals in Tanzania is to distribute products through the widest possible array of private and public outlets. In Tanzania, they include government district health management teams, clinics, dispensaries, mission hospitals, drug stores, grocery stores, kiosks, NGOs, and community groups. In Rwanda and Zimbabwe, as well as in Tanzania, mobile video units travel around the country, taping and replaying videos of local people who discuss the importance of regular net use. The goal is to increase the demand for nets and treatment kits, while making these products readily available at very low cost. The target market segments are underserved rural populations, the poor, pregnant women, and children under five—people just like Abdullah and his mother.

PSI’s promotion of mosquito nets and insecticide retreatment has helped reduce malaria-related illnesses, deaths, and economic hardship.

A drama teaches Tanzanians about the Ngao home treatment kit.

[Graph showing total PSI sales of mosquito nets and insecticide retreatments from 1995 to 1999]
Ibrahima Ouedraogo has been driving a truck since the age of 16. Today, at 21, he is a veteran trucker. He has logged many thousands of miles up and down the West African coast—through Côte d’Ivoire, Ghana, and Togo—and into the Sahel through Burkina Faso and Mali. Home is Bobo Dioulasso, Burkina Faso. But his work—transporting goods, repairing his truck, and resting between the legs of his journey—keeps him far from friends and family for months at a time.

Ibrahima is not married, but he has a girlfriend at home and other girlfriends along his routes. When asked whether he has heard about sexually transmitted diseases and AIDS, he responds, “Of course! I use condoms with my girlfriends, to avoid getting sick and unplanned pregnancies as well.” Ibrahima uses Prudence, the brand PSI sells in most of West Africa. Ibrahima explains, “I am still young and I can’t support a family right now.”
PSI has taken on the challenge of reducing the risks West African truckers face. Through the regional West and Central Africa project SFPS (Santé Familiale et Prévention du SIDA), PSI has established the PSAMAO initiative (Prévention du SIDA sur les Axes Migratoires de l’Afrique de l’Ouest), a transborder social marketing program that targets truckers, commercial sex workers, and other vulnerable mobile groups, such as seasonal workers and bus passengers. One large component of PSAMAO is educational: the innovative use of mass media, billboards, personal communications, and other channels informs these groups about the risks of contracting HIV/AIDS and the need to protect themselves. Both truckers and commercial sex workers are trained to educate their peers. Bus hostesses are also trained as peer educators and sales agents for condoms. Condom distribution is an equally critical program component, with sales points created at easily accessible sites, including rest stops, hotels, and gas stations. PSAMAO now spans four countries—Benin, Burkina Faso, Togo, and Côte d’Ivoire. Cameroon is in the process of joining; and still other countries are expected to join by 2003.

A 1998 study found that 97% of Ivorian truck drivers had seen a PSAMAO billboard in their journeys, 83% had seen the television spot, and 71% had heard the radio ads. Compared to a baseline study in 1997, truckers reporting having ever used a condom increased from 58% to 73%; and those aware that HIV infection could be asymptomatic rose from 57% to 68%. At the same time, truckers who reported sexual contact with someone other than a regular partner in the previous year fell from 47% to 37%. PSAMAO activities have not only increased the knowledge of truckers, they have also had a positive impact on behavior.

Truckers everywhere are at risk, so PSI concentrates on them elsewhere too, such as in the major transport terminals of Mumbai and Delhi.
Concerned about her patients’ nutrition, nurse-midwife Petrona Sorioco de Hípamo explains, “I feel responsible for these women from the time they are born until they give birth themselves.”

At 62 years of age, Doña Petrona Sorioco de Hípamo is one of the most respected leaders in her 2,000-person community, a rural town in the eastern Bolivian lowlands. Petrona was born in indentured servitude. Yet her parents encouraged her education. Aware of her community’s lack of health care, Petrona decided to take correspondence courses in nursing. For her practicum, she traveled by horsecart every day to and from the nearest clinic a full 50 km away. In recognition of her achievements, a hospital scholarship followed. Today Petrona is the only medically
trained person in Nuevo Horizonte. As a nurse-midwife, she has also delivered most of the community’s children. “I feel responsible for these women,” she says, “from the time they are born until they give birth themselves.”

In this agrarian, cattle-ranching area, where homes have no running water or telephones, and people use horsecarts and motorcycles rather than cars, Petrona is often paid for her services in chickens and rice.

Recently, her regimen of prenatal care has come to include VitalDía vitamins—a product developed, launched and distributed with the assistance of PSI. Like low-income populations everywhere, most people in Nuevo Horizonte have diets consisting largely of low-cost staple foods, with little of the animal products, fruits, and vegetables that are rich in essential micronutrients.

In Bolivia, nutritional deficiencies are common, with severe health effects, especially for pregnant women and their infants. Iron deficiency affects one Bolivian woman in three. Bolivia’s maternal mortality rate is the highest in South America—and about half these deaths result from anemia-related hemorrhaging. Other maternal micronutrient deficiencies—of A, B, and D vitamins, folic acid and zinc—are associated with increased maternal and child mortality, maternal anemia, premature births, low birth weights, birth defects, nutritional deficiencies in infants, and higher risks of infectious diseases for both mother and child. Even in developed countries, providing pregnant women with supplemental folate has been shown to lower the risk of neural tube defects in newborns by more than 70%. Poor nourishment can affect both the quality of a mother’s breast milk and her breast-feeding experience. Nutritional deficiencies go on to contribute to Bolivia’s high child mortality rate—nearly one in ten children dies before age five.

For all these reasons—with the support of the Academy for Educational Development and USAID—PSI and the local NGO PROSALUD have introduced a daily multiple micronutrient supplement, VitalDía, containing many of the vitamins and minerals needed by women of reproductive age. Together with basic educational programs on the importance of nutrition, VitalDía is targeted to low-income women, to improve their nutritional status before, during and following pregnancy. Ads on radio and TV, brochures, and personal communications—as in the Mothers Club that Petrona started herself—are all used to provide information about better diets for mothers and their families, as well as the appropriate use of vitamin supplements. VitalDía is sold through hundreds of clinics, pharmacies, and market and community vendors, like Petrona, who learned of the product herself through the project’s ads. Sales have exceeded expectations—nearly 3 million tablets have been sold since the project’s launch. A recent media survey suggests that 18% of low-income urban women who have heard the ads for VitalDía have purchased it.

Anemia is such a problem here, Petrona says, “because women eat poorly and have many children.” Only 12% of Bolivians consume the recommended daily 2,200 calories of a healthy diet, while 28% of children suffer from chronic malnutrition. “Most of us here cannot afford fruits or vegetables, or meat every day, and even when we can, they are not always available.”

Beyond providing important micronutrients, PSI’s Bolivian project has helped PROSALUD develop its skills in product development and social marketing, including the research, evaluation, and decision-making needed to carry on a sustainable project.

This pilot project in Bolivia has been the first social marketing of multivitamins in the world. PSI is now undertaking micronutrient social marketing projects in Pakistan and Paraguay. Interest in such programs runs high in many countries, and the Bolivian project is likely to be replicated widely.
"The four Fs of happiness," Daniel Gapare says, "are family, friends, football and food." On weekends, a relaxed and good-humored Daniel can be found playing soccer with friends or enjoying easygoing times with the wife and three children he cherishes. A casual observer would never guess Daniel has one of the most stressful jobs in Chinhoyi, a midsize town about an hour from Zimbabwe's capital, Harare. In a country with one of the highest rates of HIV prevalence in the world—an alarming 25% of Zimbabwe's sexually active adult population—Daniel works for the New Start HIV Voluntary Counseling and Testing program. The New Start program is implemented by the National AIDS Coordination Programme of the Ministry of Health with technical assistance from PSI and funding from USAID.

"It was hard, at first, to look people in the eye when I had to tell them they were HIV positive," he says. "I had nightmares about breaking the news. But the training in the New Start program has given me some deeply satisfying moments. Only one partner of a young married couple I counseled..."
was HIV-positive. It seemed the couple was headed for a bitter separation. But as we talked the problem out, they realized they still loved each other and could take the first step toward a future together by agreeing to use condoms.

That couple represents only two of the thousands of people that Daniel and other trained counselors have worked with in the New Start project, launched by PSI's AIDSMark program in the spring of 1999, with technical assistance from FHI (Family Health International). New Start is Zimbabwe's new national voluntary HIV counseling and testing (VCT) network. Research has found that counseling and testing contribute to reducing the spread of HIV. People who test negative are more likely to protect themselves in the future, while those who test positive are more likely to protect others and to seek early medical attention for themselves. Daniel is one of nearly 80 counselors already trained by New Start in Zimbabwe's nine new VCT sites.

New Start leverages available resources and proven techniques to achieve results. It is integrated with existing health care services, in public and private clinics and hospitals. The integration offers great efficiencies. Just as important, it reduces the stigma of HIV testing. New Start targets at-risk populations: young couples, adolescents, sex and transport workers, and other mobile groups. The program provides all the services needed to achieve its goals: staff like Daniel are trained not only in state-of-the-art, on-site HIV testing, but also in counseling and referrals to community support groups. These services are advertised through broad promotional campaigns which employ both mass media and creative, well-targeted interpersonal communications techniques.

“I enjoy being a counselor,” Daniel emphasizes. “I really enjoy helping people. In the beginning, people were shy about discussing their fears of HIV. But even my neighbors and sometimes strangers now come by the house regularly for advice. Things are changing for the better,” he says. Daniel represents above all the dedication and good will of those working in HIV prevention efforts, often under the most challenging circumstances.

PSI’s recent New Start program uses innovative, cost-efficient voluntary counseling and testing to reduce the spread of HIV.
As he was being weaned from breast milk, Benoit suffered exhausting bouts of diarrhea.

Shifting among the goods she has spread out on the street to sell, Afi Amegandjin brushes the hot sand from her clothes again and watches her son Benoit tumble around her feet. Straightening her rows of pigs’ feet, pigs’ ears, elixirs and potions, Afi explains how she almost lost the now 18-month-old Benoit a year ago. She was weaning him from breast milk then, and the transition to solid food was not going well. He began to suffer serious episodes of diarrhea. Afi knew Benoit’s illness resulted from contaminated food and water. But her son’s transition to risky street food was an unfortunate necessity, as it is for most children in Togo’s capital of Lomé. The family lives in a multifamily compound, in a one-room house with a tin roof—a life this family of six sustains on about $3 per day. Every day Afi sits outside her house on this central city dirt road with her merchandise, scraping together the money needed to feed her family.

When Benoit was ill a year ago, Afi relates, he simply grew weaker
and weaker. Finally, she grew frantic and took him to a local clinic for help. The clinic gave her Orasel oral rehydration salts (ORS) to restore Benoit’s electrolytes. This PSI-promoted product, costing just 8 cents for a course of three treatments, may have saved Benoit’s life. Each year, thousands of Togolese children under the age of five die from the dehydration of diarrheal disease, the second greatest cause of childhood deaths in the country after malaria. One out of every 10 children dies before the age of five. A mere 37% of Togo’s rural population has access to safe water, and deaths from diarrhea are depressingly common. In fact, these deaths are the second greatest killer of children worldwide (after malaria), taking the lives each year of 1.8 million children under age five.

“Two days after taking Orasel,” Afi says, “my baby could eat again. Orasel was cheap, easy to use, and gave my baby his strength back quickly.”

Since 1997, PSI/Togo has sold more than three million packets of Orasel oral rehydration salts to mothers like Afi throughout the country. Working closely with Togo’s Ministry of Health and the National Diarrheal Disease Prevention Program, the promotion and distribution of Orasel has made headway in filling a critical void in public health. With the help of UNICEF and USAID donations, PSI/Togo has made oral rehydration therapy convenient and affordable for even the poorest mothers. Orasel is widely distributed through Togo’s pharmacies, grocery stores, and peer education networks, as well as clinics and hospitals. Mothers are taught how to care for their infants in the all-too-likely event of a diarrheal illness by PSI/Togo’s community-based programs and health volunteers.

In nine other countries—Benin, Burkina Faso, Cameroon, Côte d’Ivoire, Guinea, Haiti, India, Malawi and Morocco—PSI supports other successful ORS programs. Altogether these PSI programs have sold more than 26 million packets of oral rehydration salts, saving the lives of millions of children.

PSI’s promotion of oral rehydration salts makes them understandable and affordable for low-income mothers.
PSI PROGRAMS

- Male Condoms
- Oral Contraceptives
- Female Condoms
- Injectable Contraceptives
- Inter-Uterine Devices
- Vaginal Foaming Tablets
- Sexually Transmitted Disease Treatment Kits
- Emergency Contraception
- Oral Rehydration Salts
- Insecticide Treated Nets & Retreatments
- Lubricants
- Pregnancy Test Kits
- Home Water Chlorination
- Multivitamins
- HIV Test Kits
- Voluntary Counseling & Testing
- Iodized Salt
Additional Highlights

In the preceding stories about the people we serve, we noted many of our recent achievements. But we have seen other remarkable successes as well in the last two years. We mention just some of them briefly here.

**BENIN**

PSI/Benin produces the popular newsletter for young people Amour & Vie. In Africa, AIDS is spreading fastest among those 15 to 19 years old. This PSI newsletter presents engaging comic strip treatments of down-to-earth issues and a Q&A section on reproductive health and staying healthy. With 20 times the circulation of one national newspaper, this newsletter is grabbed up as fast as it is passed out, and even enjoys a flourishing trade in photocopies.

**HAITI**

PSI/Haiti, operating in the poorest country of the hemisphere, has won yet another prize. For its contribution to family planning, it was granted the UN Population Fund’s first Emmanuel Ade Award. PSI managed to sustain its programs through political turmoil, thanks to generous donors. Record sales were achieved in 1999 for condoms and oral and injectable contraceptives. Oral rehydration salts were also launched last year. Contraceptive sales (in couple-years of protection) and condom sales per capita were among the highest in the world for any social marketing program.

**PAKISTAN**

Pakistan is another country in need, with high fertility rates, high female illiteracy and insufficient national health care services. In Pakistan, PSI and its partner SMP have developed the Green Star Network of clinics. This network is one of the largest franchised health care networks in the world, with over 11,000 health providers in 40 cities. The Green Star Network provides contraceptive choices, information, and counseling to millions of low-income Pakistani women each year.

**PARAGUAY**

In Paraguay, PSI/PROMESA has won distinguished prizes for its radio spots and its youth education program Arte y Parte. Its youth-targeted video on contraception won the Paraguayan equivalent of an Oscar for best documentary. Its Pantera condom radio spot was judged “Best Jingle” in the country for 1999 and awarded honorable mention for the five-country region known as the Southern Cone. Sales of the recently launched Pantera are growing swiftly. PSI’s program has persuaded the Minister of Health to lend his support for our program activities.

**GUINEA**

Over the last two years, PSI/OSFAM in Guinea has broken sales records for all four of its products, increasing condom sales by 50%, and doubling or nearly doubling previous sales records for oral rehydration salts and injectable and oral contraceptives. The percentage of Guineans using modern contraceptive methods has more than quadrupled over the last seven years.
UNITED STATES
PSI’s U.S. programs have grown from one field office to three, to implement a diverse array of projects, including youth sexual risk reduction, promotion of family planning services, and increasing awareness of and access to emergency contraception (EC). The office is conducting research among women just above the poverty line as the first phase of a five-year, statewide effort to improve their access to family planning services. An EC project to train medical providers and educate low-income women on EC will decrease the problem of unwanted pregnancies. Finally, PSI is replicating its groundbreaking Project ACTION model in the Central California Coast region, where Latino teens will be a special target group. The model, which uses mass media campaigns and improved contraceptive access to help young people protect themselves from disease and unintended pregnancies, has been successfully implemented in Portland, Seattle, and San Jose. Project ACTION has produced significant increases in use by sexually active youth in all three locations.

UGANDA
As part of the Commercial Market Strategies (CMS) project, PSI in Uganda gave a colorful launch to PSI’s new condom brand, Protector. The parade marking this event stopped traffic. A convoy of motorcycles, with their young drivers clad in dapper Protector T-shirts, presented fancy maneuvers for the appreciative audience of 100,000. A police escort and booming music provided accompaniment to the educational messages and free samples.

RUSSIA
PSI’s Saratov affiliate is testing a novel approach to reaching youth with messages about sexual health: organizing some of the “extreme” sports events popular with young trendsetters, such as rollerblading, skateboarding, and snowboarding. PSI uses these events to draw large crowds of youth and talk to them about the risks they face in their sexual lives and how to protect themselves. In Saratov and elsewhere in Russia, PSI is also reaching out to IV drug users, explaining how they can protect themselves and others from HIV and STDs. IV drug users account for 90% of new HIV cases in the country.

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NIGERIA
PSI’s affiliate in Nigeria, the Society for Family Health, has a nationwide HIV/AIDS prevention program. Teams of highly trained field educators use interpersonal communication to help increase knowledge, awareness, and risk perception among a variety of at-risk groups. The Nigeria program changes behaviors throughout the systematic use of information gained through rigorous program research and evaluation.

ALBANIA
PSI/Albania and its local affiliate, ASMA, launched two blimps, flying them over downtown Tirana during World AIDS Day and Valentine’s Day. On World AIDS Day, PSI also sponsored concerts in Moscow and Bucharest.

ZAMBIA
In Zambia, PSI developed a new home water chlorination program that helped halt the spread of a cholera epidemic.

The colorful launch of Protector condoms

PSI’s blimp put condom use on front pages and in the national news in Albania.

Clear Seven users were also far more likely to use a condom during treatment (36% versus 18% in the control group), and 22% of these people used a condom for the first time. These rates are particularly important, given the high STD/HIV prevalence rates and low condom use rates in Uganda. Plans are underway to expand the Clear Seven project in 2000.
Our People

PSI's people make our organization unique. What brings these extraordinary people to PSI? Most often, it is the realization that their business skills can make a real difference in the world.

PSI staff do their work in some of the most difficult places on the planet, yet they are known for their joie de vivre. Whether setting up a 20-foot inflatable condom, traversing the bumpy back roads of a developing country, or creating a TV soap opera about HIV/AIDS, PSI staff bring a spirit to their work that comes from being part of an important, dynamic enterprise.

We invite you to meet just a few of the 2,000 people who make PSI the leading social marketing organization in the world. Of these 2,000 people, 97% are nationals of the countries in which they work.

ST. HILAIRE LAFORET
St. Hilaire Laforet has been an exceptional contributor to PSI/Haiti for over five years. He has experienced real tragedy in his life, but his PSI work helped him avoid a great deal more. Three years ago, St. Hilaire married a woman with HIV, who regretfully died from the disease. But the knowledge St. Hilaire gained in working for PSI has helped him remain HIV-negative. St. Hilaire began as a driver for PSI, and after several well-earned promotions, now directs distribution and sales of PSI products throughout his region.

CAROL SQUIRE
Carol Squire claims that she took her first “real” job with PSI, at the advanced age of 37. However, she previously managed several of her own successful businesses—in professional and management training, market research, and sustainable and integrated development. She found it tough to leave her own business, where she managed the work of nearly 200 employees. “Yet I felt I could have more impact with an international organization.” As PSI’s country representative in India, Carol’s responsibilities include “hiring the best and encouraging them to express their talents fully,” and building strong relationships with donors to create critical new programs, such as one that expands contraceptive method choice. “People need real rather than hypothetical choices in life. PSI is in the business of making these choices available for everyone.”

JANE MILLER
One of the first British twins born in Moscow, Jane Miller was hailed by the British press as one of the “Red Star Twins.” A specialist in medical parasitology, Jane followed up her doctoral research by developing a novel “dip-it-yourself” insecticide treatment kit for antimalarial nets, under the auspices of the London School of Hygiene and Tropical Medicine. At PSI, she has been the driving force behind the success of a Tanzanian program to market these treatment kits. With a charismatic personality and old-fashioned hard work, she has enlisted a remarkable array of private and public stakeholders in Tanzania’s national fight against malaria.

OSWALD KASSA
Oswald Kassa spends much of his time as “a crazy guy in public.” As a condom promoter/educator, Oswald can often be found surrounded by crowds at the public market, lecturing and demonstrating condoms. Prior to this work, Oswald sold cigarettes in “dark, dingy places” like bars—and he still works in such places, as he points out, “but with PSI I know I’m helping people, rather than hurting them.” He is also paying the school fees for most of his siblings and taking care of his aging parents—and this year he will be able to wed. In 1999, Oswald and his colleagues established 7,000 sales outlets in Benin—a country just the size of Tennessee. Research shows that condom use depends in part on ready accessibility, so Oswald sells to a multitude of outlets—including open-air snack stands, barber shops, and the many roving general goods traders who are an essential part of Benin’s market system.
MUYAPEKWA KALIMA

“Pekwa” Kalima, 22, has spent nearly four years as peer educator for the Society of Family Health (SFH)/Zambia. She is widely admired for her enthusiasm and compassion. “It’s great to teach young people about positive living—both safe motherhood and protecting themselves against sexually transmitted diseases. Pekwa caught people’s attention during the International Conference on HIV/AIDS in Africa (at Lusaka) last year, after she appeared on a TV youth program. “I was thrilled to receive e-mails from all over Africa after that.”

DR. REHANA AHMED

After graduating from Karachi’s Dow Medical College, Dr. Rehana Ahmed traveled to England with her husband for his career. Returning to Karachi some years later, she took charge of a family planning clinic. Here she added outreach work, establishing camps for surgical contraception in rural areas. Her first such camp, in the Tharparkhar Desert, could be reached only by an arduous eight-hour drive. On first arriving, she recalls, she found the “operating theater” long deserted, with broken window panes and lizards scooting around. It required all her effort to convince the accompanying senior medical consultant not to abandon the post. Her team pasted cardboard on the windows, scrubbed the room, and set up the equipment from the base station. The next day they performed 30 tubal ligations. From then on, there was no turning back. Rehana’s clinical experience and leadership have been invaluable in helping lay the foundation for Pakistan’s PSI/SM P Green Star Network of clinics and pharmacies.

DAW SWE ZIN HTAIK

When PSI/Myanmar’s Project Officer for Media walks down the street, people stare. Daw “Grace” Swe Zin Htaik is one of M yanmar’s most famous actresses, featured in over 200 films. Though she no longer acts, Grace still has the elegance and confidence of a star. Her technical know-how helped her produce M yanmar’s first television drama about AIDS, PSI’s “Happy Travelers.” Her star power helped get Happy Travelers on the air. “I’m glad to contribute my network of contacts in the film industry. This is the first time AIDS has been really discussed on television here.” Happy Travelers is a 10-part series that integrates AIDS prevention and education messages into a gripping story about a Burmese family affected by the disease. The series will reach people in Myanmar with vital information on AIDS.

FLORENCE ZAKE

Originally from Uganda, Florence Zake fled with her family in 1972, on the eve of Idi Amin’s reign of terror. She became a U.S. citizen and, after working with other U.S.-based international NGOs, came to PSI in 1997. Her earlier experience was in integrated rural development, including local NGO capacity-building, strategic planning, and project design and evaluation. Those eight years, five of them based in sub-Saharan Africa, proved ideal preparation for the work Florence has done with PSI, first as program manager for West and Central Africa, and then as Africa regional manager for the USAID-sponsored Commercial Market Strategies (CMS) project. Currently, Florence is deputy director for PSI’s USAID-sponsored worldwide AIDS prevention project (AIDSMark).

SCOTT BILLY

Scott Billy started at PSI as PSI/ Washington program manager for Eastern Europe, moved to Albania to start PSI’s program there, and now is PSI/ Washington program manager for Asia, covering Cambodia, India, Laos, and M yanmar. “We benefit tremendously from participating in a global social marketing network. There are many more similarities than differences. I might be the only person in the world who knows how much Albania and Laos have in common.” It is not the travel that brings satisfaction, Scott says, but seeing condom use double in Albania and watching it grow in Laos.
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<td>33, Rue Oued Quaraga, 1st floor #3</td>
<td>+212-19-230-7225</td>
<td><a href="mailto:fay85@nettime.com.br">fay85@nettime.com.br</a></td>
</tr>
<tr>
<td>Mozambique</td>
<td>PSI/Mozambique</td>
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<td>+258-21-312-519</td>
<td><a href="mailto:fay85@nettime.com.br">fay85@nettime.com.br</a></td>
</tr>
<tr>
<td>Myanmar</td>
<td>PSI/Myanmar</td>
<td>36 Golden Hill Avenue</td>
<td>+95-21-22-17-22-17-15</td>
<td><a href="mailto:fay85@nettime.com.br">fay85@nettime.com.br</a></td>
</tr>
<tr>
<td>Namibia</td>
<td>PSI/Namibia</td>
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<td><a href="mailto:fay85@nettime.com.br">fay85@nettime.com.br</a></td>
</tr>
<tr>
<td>Nicaragua</td>
<td>PSI/Nicaragua</td>
<td>C/D Seminaro de la Optica M atamoros 2-12 cuadras abajo</td>
<td>+505-277-0855</td>
<td><a href="mailto:fay85@nettime.com.br">fay85@nettime.com.br</a></td>
</tr>
<tr>
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<td><a href="mailto:gardiner@infocom.co.ug">gardiner@infocom.co.ug</a></td>
</tr>
<tr>
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<td><a href="mailto:gardiner@infocom.co.ug">gardiner@infocom.co.ug</a></td>
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<td>PSI/Paraguay</td>
<td>KDA Scheme #5</td>
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<td><a href="mailto:gardiner@infocom.co.ug">gardiner@infocom.co.ug</a></td>
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<td>PSI/Portugal</td>
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<td><a href="mailto:gardiner@infocom.co.ug">gardiner@infocom.co.ug</a></td>
</tr>
<tr>
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<td>+234-1-585-056-0580539</td>
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<tr>
<td>Russia</td>
<td>PSI/Russia</td>
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<td>+7-095-257-3377</td>
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</tr>
<tr>
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<td><a href="mailto:gardiner@infocom.co.ug">gardiner@infocom.co.ug</a></td>
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<td>Thailand</td>
<td>PSI/Thailand</td>
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<td><a href="mailto:gardiner@infocom.co.ug">gardiner@infocom.co.ug</a></td>
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<tr>
<td>Tunisia</td>
<td>PSI/Tunisia</td>
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<td>Turkey</td>
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</tr>
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<td><a href="mailto:gardiner@infocom.co.ug">gardiner@infocom.co.ug</a></td>
</tr>
<tr>
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<td>Venezuela</td>
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<tr>
<td>Zambia</td>
<td>PSI/Zambia</td>
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<tr>
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<td><a href="mailto:gardiner@infocom.co.ug">gardiner@infocom.co.ug</a></td>
</tr>
</tbody>
</table>
Board of Directors

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Clayton Davis
Technical Services Director

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Controller

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Dominique Meekers
Research Director

Kate M. Roberts
Director of Public Affairs

Marlaine Tocatlian
Contracts Director

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Kastibys Kaieda

Benin
Steve Lutterbeck

Bolivia
Chris Brady

Botswana
Ivor Williams (Project Manager)

Burkina Faso PROMACO
Moustia Abbo

Burkina Faso
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Burundi
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Jo John Dscreen

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Diana Wani

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Tim Bettoni

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Côte d’Ivoire
Jeff Barnes (Senior Country Representative)

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John Loftin

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Madagascar
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David Walker (Senior Country Representative)

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Mohammed Kibri

Mozambique
Jill Shumann

Myanmar
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Republic of Congo
John Loftin

Romania
John Bieland

Russia
Cynthia Robinson

Rwanda
Brian Simony

South Africa
Rob Eiger (Senior Country Representative)

Tanzania
Brad Lucas (Senior Country Representative)

Togo
Auguste Kpognon

Uganda
Elizabeth Gardiner (Social Marketing Director)

Venezuela
Alan Lambert (Consultant)

Zambia
Nils Gade

Zimbabwe
Andrew Boner (Senior Country Representative)

Stephen W Bosworth resigned September 1997 to assume U.S. ambassadorship to Korea.

Frank Loy resigned November 1998 to become Under Secretary of State for Global Affairs.
Financial Report

Population Services International
Statement of Activities
For the years ended December 31, 1999 and 1998

<table>
<thead>
<tr>
<th>Public support, other revenue, and gains:</th>
<th>1999 Total</th>
<th>1998 Total</th>
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<tbody>
<tr>
<td>Grants and fees from U.S. government</td>
<td>40,941,576</td>
<td>31,670,391</td>
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<td>Grants and fees from other governments</td>
<td>28,768,419</td>
<td>23,034,795</td>
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<td>Grants and fees from international organizations</td>
<td>2,675,563</td>
<td>2,540,567</td>
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<tr>
<td>Other grants and contributions</td>
<td>10,249,223</td>
<td>2,864,103</td>
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<tr>
<td>Total public support</td>
<td>82,634,779</td>
<td>60,109,856</td>
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</table>

| Investment and other income             | 266,717    | 297,468    |

| Total revenue and gains                 | 82,901,496 | 60,407,324 |

| Expenses:                               |            |            |
| Program services                        | 67,796,648 | 53,254,942 |
| Management and general                  | 7,935,252  | 6,875,385  |
| Total expenses                          | 75,731,900 | 60,130,327 |

| Changes in net assets                   | 7,169,597  | 276,997    |

| Net assets, beginning of year           | 9,017,148  | 8,740,151  |

| Net assets, end of year                 | 16,186,745*| 9,017,148  |

* Note: More than half of PSI’s 1999 net assets are restricted for program activities in future years under the terms of existing contracts and grant agreements. Of the remainder, approximately $5 million is used as working capital, and the balance to launch new initiatives or sustain ongoing programs facing funding gaps.

The figures above have been excerpted from statements and schedules issued by PSI’s outside auditors. Copies of our audited statements are available upon request, from PSI in Washington, DC.
How Can You Help?

PSI is a tax-exempt, nonprofit organization with the bottom-line orientation of a business. For about $5 per person served per year, PSI affiliates give millions of low-income families around the world the means to space births, avoid unintended or unhealthy pregnancies and invest more in the health and education of their children. We help young people avoid the tragedy of AIDS. We provide the information, products and services that people need to safeguard their health, the first step to pulling themselves out of poverty and joining the global economy.

The health care needs of poor communities worldwide are urgent. PSI has the entrepreneurial ability to set up projects quickly, often using private bridge funding and its own limited reserves to jump-start initiatives that later attract support from governments, UN agencies and other sources. When this institutional support lags or falters, PSI remains committed to meeting the ongoing health care needs of communities at risk: our PSI Partnership Fund provides interim funding, sometimes for years, until new grants or contracts can again ensure high levels of health impact in these valuable programs. The generous support of individual, foundation, and corporate donors enables PSI to meet this objective.

PSI welcomes and encourages tax deductible gifts of cash, securities and other assets, as well as planned gifts and bequests. Please contact our Development Director for assistance and details.

Credits: All images in this report are taken from PSI country programs. Cover photo by Piers Benatar, PSI/Pakistan