The Global Fund
To Fight AIDS, Tuberculosis and Malaria

Affordable Medicines Facility – malaria (AMFm)

Update and Potential Scenarios after Phase 1

Artemisinin Conference

Hanoi, 2 November 2011

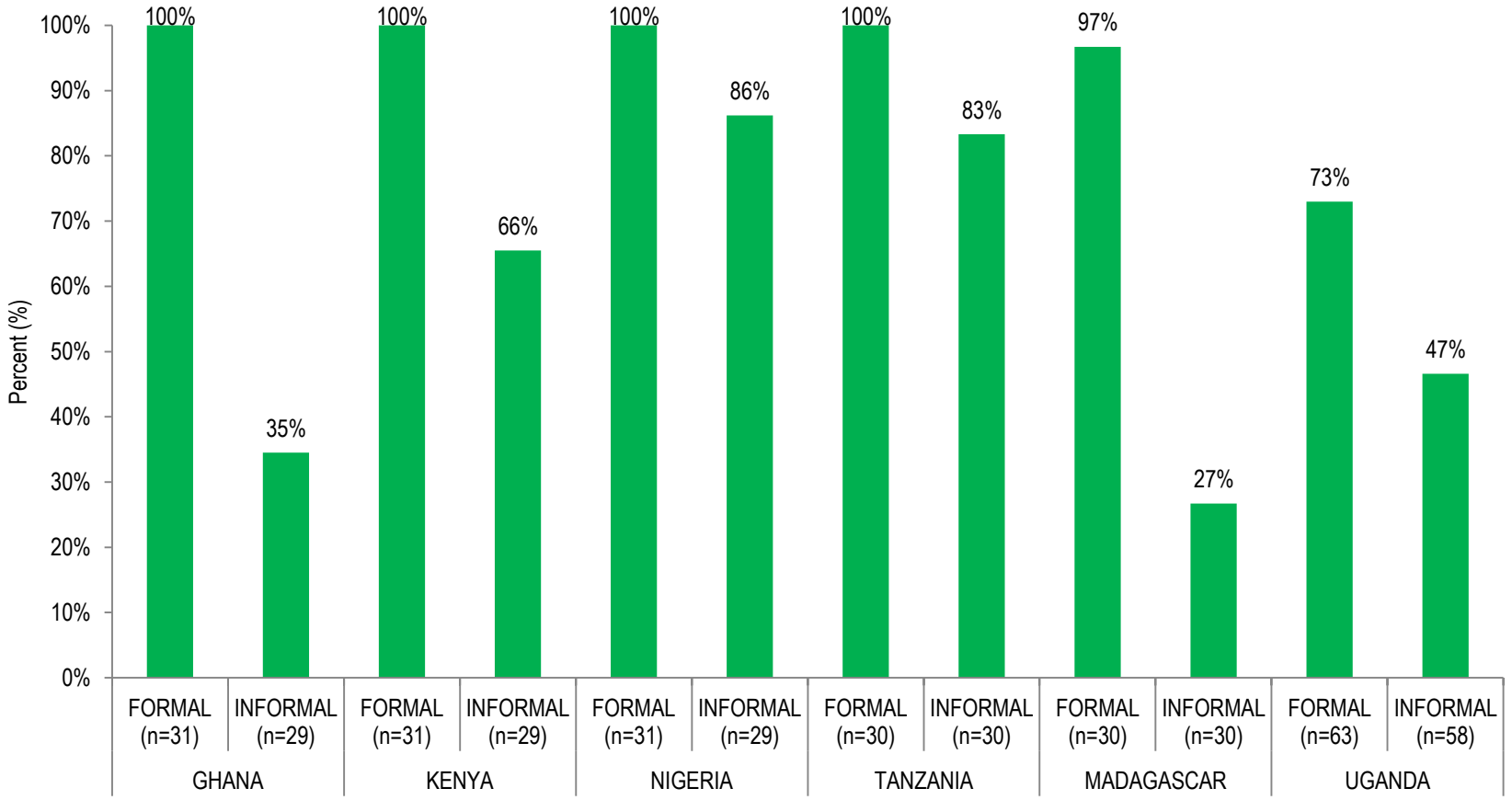
Purpose of AMFm

A 24-month multi-country pilot to demonstrate how well the model works in terms of:

- Sharply reduce retail prices of ACTs
- Widely increase access to ACTs
- Displace oral artemisinin monotherapies
- Displace ineffective malaria medicines

AMFm early results: Increased availability

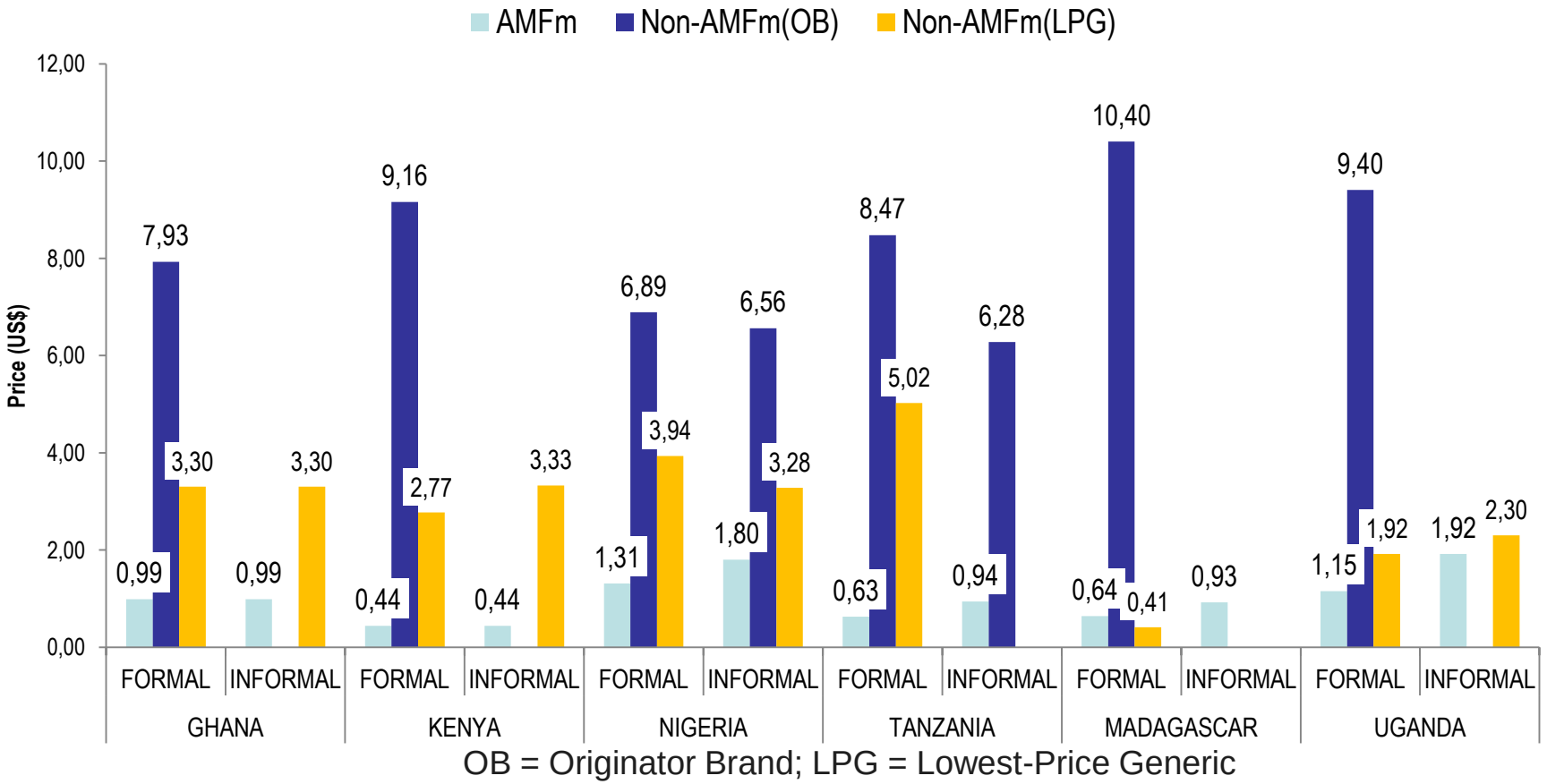
Percent of facilities having any AMFm ACT available, August 2011



Source: Health Action International. Retail Prices of ACTs co-paid by the AMFm and other antimalarial medicines: report of price-tracking surveys. August 2011

AMFm early results: Reducing prices, increasing affordability

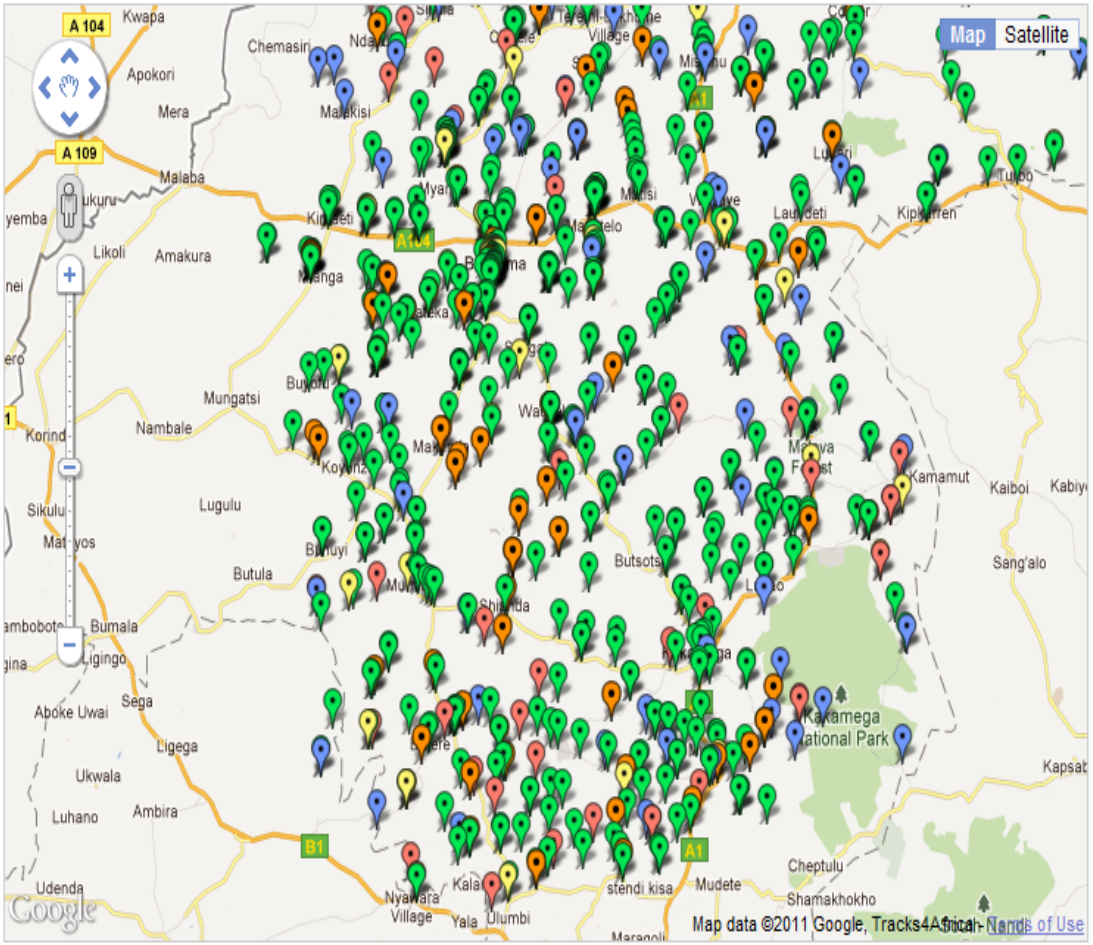
Median prices of AL 20/120mg (pack size 6x4) by country: AMFm vs. non-AMFm



OB = Originator Brand; LPG = Lowest-Price Generic

Source: Health Action International. Retail Prices of ACTs co-paid by the AMFm and other antimalarial medicines: report of price-tracking surveys. August 2011

AMFm early results: ACTs available (almost) everywhere in Western Kenya



KEY:

= Facility Has Co-Paid ACT

= Facility Has Non Co Paid ACT

= Facility Has Other Antimalarials

= Facility Dont Have any antimalarials

= Facility is closed

Facility Count

508 Facilities have AMFm Co-Paid ACT

89 Facilities have Non Co-Paid ACT

82 Facilities have Other Antimalarials

49 Facilities have No Antimalarials

51 Facilities were Closed

Total 778 Facilities

Source: http://tanscottassociates.com/ke/. Survey conducted *June to August 2011.*

Mapping AMFm co-paid ACT distribution networks in Bungoma and Kakamega counties in western region of Kenya

Approved ACT orders by sector

As end of October 2011

- Public = 61.1 million
- Private for-profit = 114.2 million
- Private not-for-profit = 1.6 million

Total = 176.9 million

Levers for managing orders (1/2)

- Framework developed in July 2011 in response to increasing co-payment requests
- Levers introduced in August 2011

Goals:

- Conserve co-payment fund
- Closing gap between approved orders and deliveries
- Promote supply of pediatric formulations and pack sizes

Levers for managing orders (2/2)

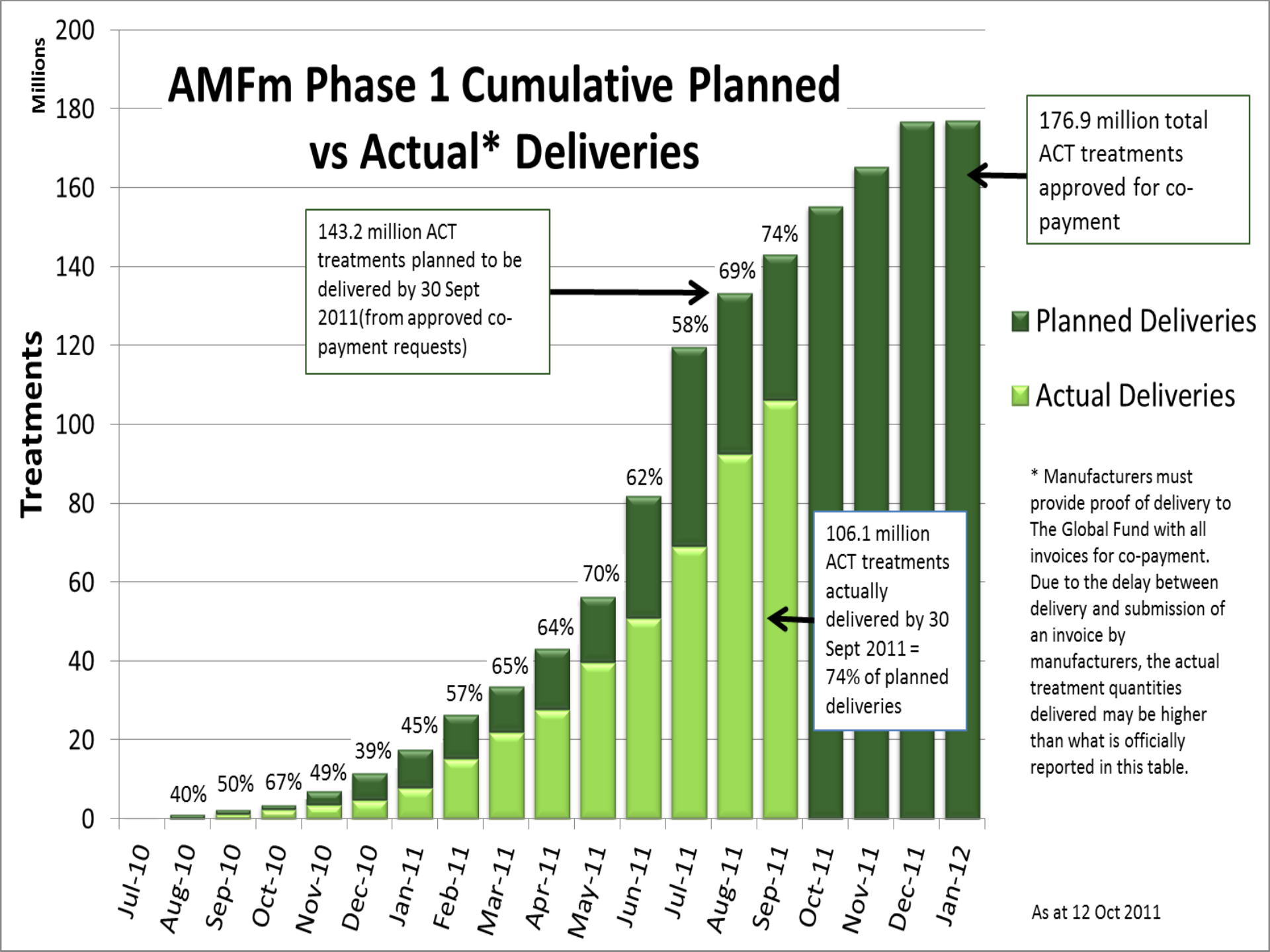
- Ratio of cumulative approved orders to estimated demand (using 2011 Quarter 1 BCG estimates)
- Sector (public/private)
- Manufacturer performance (in terms of ratio of actual to planned deliveries by a particular date)
- Formulation/pack size
- Fixed-dose combinations preferred to co-blistered forms
- Delivery date
- Mode of transport

Results from levers: improvement of manufacturers performance

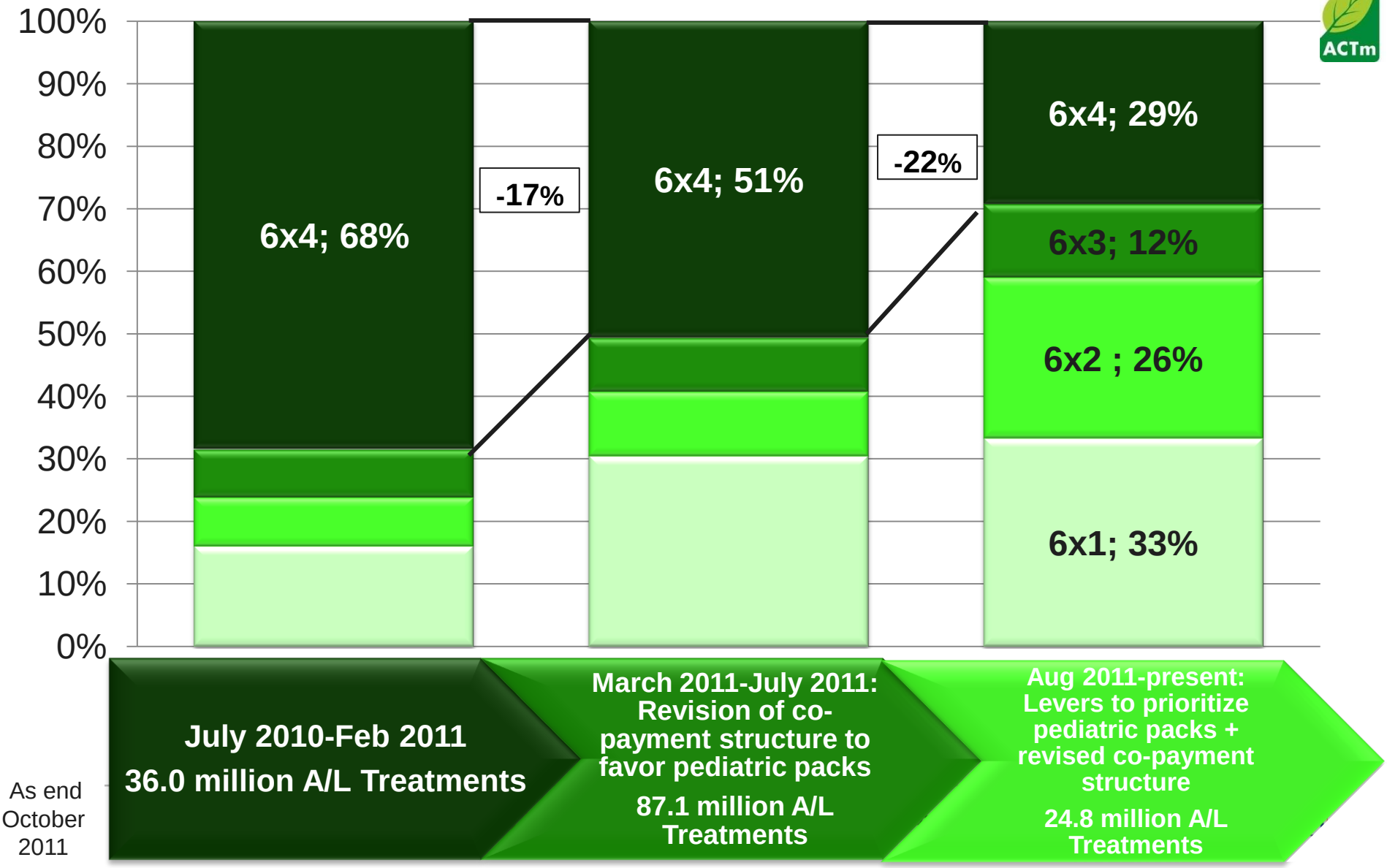
	31 July 2011	30 Sept 2011
Supplier A	21%	68%
Supplier B	30%	62%
Supplier C	40%	73%
Supplier D	53%	79%
Supplier E	69%	79%
Supplier F	89%	74%

Manufacturer performance = (Actual deliveries)/(Planned Deliveries) by date listed above

[Caveat: May be higher by various % because documentation comes after delivery]


AMFm Phase 1 Cumulative Planned vs Actual* Deliveries
Millions
Treatments
200
180
160
140
120
100
80
60
40
20
0
143.2 million ACT treatments planned to be delivered by 30 Sept 2011(from approved co-payment requests)
176.9 million total ACT treatments approved for co-payment
106.1 million ACT treatments actually delivered by 30 Sept 2011 = 74% of planned deliveries
40%
50%
67%
49%
39%
45%
57%
65%
64%
70%
62%
58%
69%
74%
Jul-10
Aug-10
Sep-10
Oct-10
Nov-10
Dec-10
Jan-11
Feb-11
Mar-11
Apr-11
May-11
Jun-11
Jul-11
Aug-11
Sep-11
Oct-11
Nov-11
Dec-11
Jan-12
Planned Deliveries
Actual Deliveries
* Manufacturers must provide proof of delivery to The Global Fund with all invoices for co-payment. Due to the delay between delivery and submission of an invoice by manufacturers, the actual treatment quantities delivered may be higher than what is officially reported in this table.
As at 12 Oct 2011

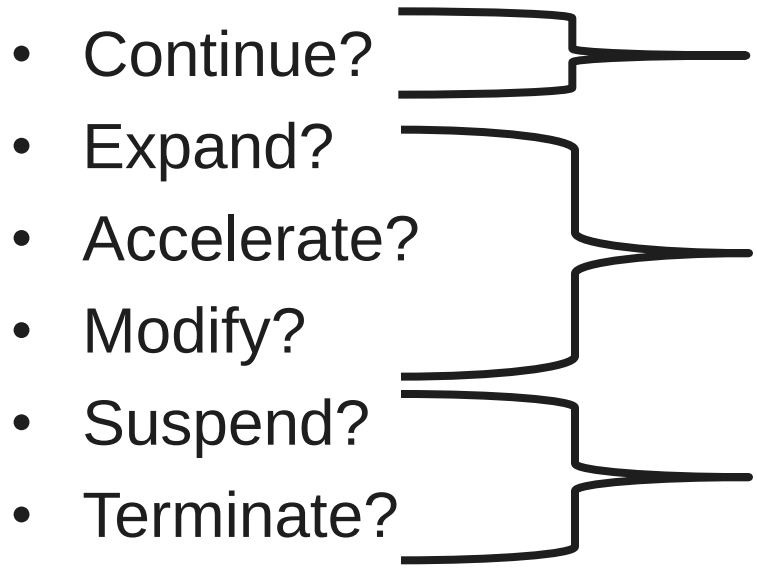
A/L - Relative Percentage of Pack Sizes, pre- and post-revision of co-payment structure and introduction of levers



As end October 2011

Board Decision on the future of AMFm beyond Phase 1: Nov 2012

Board Decision → **Translated into** → **Operational Scenarios**



Independent Evaluation

Current status:

- Baseline outlet survey work have been completed and written up
- Endline data collection activities are underway, to be completed by January 2012 in all pilots

Next steps:

- Data from endline outlet surveys in each pilot will be entered, cleaned and shared with the Independent Evaluator to complete analyses
- Final report will be written up and shared in late 2012 in advance of Board decision in Nov. 2012

Scenario planning: purpose and approach

- **Obtain stakeholder perspectives**
- **Facilitate discussions on early lessons learned** about AMFm Phase 1, improvements for the rest of Phase 1
- **Generate possible scenarios for the future** from a combination of known factors, including: health, financing, economic, social and political
- **Engage all major parties** with responsibilities for the AMFm on the need to know about, prepare for, and be ready to execute scenarios after 2012 Board decision

Scenario planning: country perspectives

Countries favor continuation with modification of the scope and model of AMFm Phase 1

Proposed modification on scope:

- Nearly every country wants a subsidy for RDTs to support rational drug use
- Few countries request subsidy for treatment of complicated malaria

Proposed modification on business model:

- Fund supporting interventions separately from traditional Global Fund grant/disbursement
- Include sustainability plan, transition and exit strategy
- Longer time period is needed for implementation

Scenario planning: manufacturer perspectives (1/2)

- Manufacturers consider AMFm Phase 1 to be successful in terms of increased availability and reduced retail prices (increased affordability)

- **Manufacturers would prefer continuation in same number of countries with modification in the scope of AMFm Phase 1**

- **Rationale for continuation in same countries only:**
  - need to **learn more** from (1) operational research on how to deploy RDTs in private sector, and (2) experience in supporting interventions including IEC activities

Scenario planning: manufacturer perspectives (2/2)

- **Proposed modifications to AMFm Phase 1:**
  - Secure more co-payment funds
  - Include co-payment of RDTs
  - Ensure reliable forecast for each AMFm country
  - Simplify process by limiting buyer imposed customization of packaging
  - Introduce monitoring of stock at 1LB level in countries
  - Ensure better visibility of co-payment approval for at least 6 months
  - Stop rationalization of co-payment approvals to minimize risk of increased gap between demand and supply
  - Stabilize Artemisinin prices

Future of AMFm?

- Global Fund Board will decide in quarter 4 of 2012 whether to **Continue, Expand, Accelerate, Modify, Suspend or Terminate** AMFm.
- This decision will be informed by findings from:
  - Independent Evaluation of the AMFm pilot.
  - The scenario planning exercises
  - Operational research and other AMFm relevant studies
- It is expected that whatever the Board decision in 2012, arrangements will be made for **a transition period**

Thank You